

Original

Baptist
Memorial
Hospital

CN1512-066

December 14, 2015

Melanie Hill, Executive Director
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

RE: Certificate of Need Application
Baptist Memorial Hospital

Dear Ms. Hill:

Enclosed are three copies of the Certificate of Need application for the renovation of the cardiac catheterization lab at Baptist Memorial Hospital. Check Number 1819236 for \$13,716 is enclosed for the review fee.

Thank you for your attention.

Sincerely,



Arthur Maples
Dir. Strategic Analysis

Enclosure

CERTIFICATE OF NEED
APPLICATION

CARDIAC CATHETERIZATION LAB
RENOVATION
at
6019 WALNUT GROVE RD, MEMPHIS

BAPTIST MEMORIAL HOSPITAL
DECEMBER 2015

1. **Name of Facility, Agency, or Institution**

Baptist Memorial Hospital Cardiac Catheterization Lab Renovation

Name

6019 Walnut Grove Road

Street or Route

Memphis

City

TN

State

Shelby

County

38120

Zip Code

2. **Contact Person Available for Responses to Questions**

Arthur Maples

Name

Baptist Memorial Health Care Corporation

Company Name

350 N. Humphreys Blvd

Street or Route

Employee

Association with Owner

Memphis

City

901-227-4137

Phone Number

Dir. Strategic Analysis

Title

Arthur.Maples@bmhcc.org

Email address

TN

State

38120

Zip Code

901-227-5004

Fax Number

3. **Owner of the Facility, Agency or Institution**

Baptist Memorial Hospital

Name

350 N Humphreys Blvd

Street or Route

Memphis

City

TN

State

(901) 226-5000

Phone Number

Shelby

County

38120

Zip Code

4. **Type of Ownership of Control (Check One)**

A. Sole Proprietorship

B. Partnership

C. Limited Partnership

D. Corporation (For Profit)

E. Corporation (Not-for-Profit)

X

F. Government (State of TN
or Political Subdivision)

G. _____

H. _____

I. _____

Joint Venture

Limited Liability Company

Other (Specify) _____

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

5. **Name of Management/Operating Entity (If Applicable)**

N/A
 Name _____
 Street or Route _____ County _____
 City _____ State _____ Zip Code _____

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND
 REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

6. **Legal Interest in the Site of the Institution (Check One)**

- A. Ownership X D. Option to Lease _____
 B. Option to Purchase _____ E. Other (Specify) _____
 C. Lease of _____ Years _____

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
 REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

7. **Type of Institution (Check as appropriate--more than one response may apply)**

- | | |
|--|--|
| A. Hospital(Specify) <u>General Acute</u> <u> X </u> | I. Nursing Home _____ |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty _____ | J. Outpatient Diagnostic Center _____ |
| C. ASTC, Single Specialty _____ | K. Recuperation Center _____ |
| D. Home Health Agency _____ | L. Rehabilitation Facility _____ |
| E. Hospice _____ | M. Residential Hospice _____ |
| F. Mental Health Hospital _____ | N. Non-Residential Methadone Facility _____ |
| G. Mental Health Residential Treatment Facility _____ | O. Birthing Center _____ |
| H. Mental Retardation Institutional Habilitation Facility (ICF/MR) _____ | P. Other Outpatient Facility (Specify) _____ |
| | Q. Other (Specify) _____ |

8. **Purpose of Review (Check) as appropriate--more than one response may apply)**

- | | |
|--|---|
| A. New Institution _____ | G. Change in Bed Complement _____ |
| B. Replacement/Existing Facility _____ | [Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation] |
| C. Modification/Existing Facility <u> X </u> | |
| D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify) _____ | H. Change of Location _____ |
| E. Discontinuance of OB Services _____ | I. Other <u>Equipment replacement</u> <u> X </u> |
| F. Acquisition of Equipment _____ | |

9. **Bed Complement Data**

Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Licensed</u>	<u>Beds *CON</u>	<u>Staffed Beds</u>	<u>Beds Proposed</u>	<u>TOTAL Beds at Completion</u>
A. Medical	626		477		626
B. Surgical					
C. Long-Term Care Hospital					
D. Obstetrical					
E. ICU/CCU	80		72		80
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolescent Psychiatric					
K. Rehabilitation					
L. Nursing Facility (non-Medicaid Certified)					
M. Nursing Facility Level 1 (Medicaid only)					
N. Nursing Facility Level 2 (Medicare only)					
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child and Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL	706		549		706

10. Medicare Provider Number 44-0048
Certification Type Hospital

11. Medicaid Provider Number 0440048
Certification Type Hospital

12. If this is a new facility, will certification be sought for Medicare and/or Medicaid?

13. **Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? yes If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.**

Volunteer State Health Plan – Blue Cross Blue Shield of TN BlueCare

Amerigroup Community Care

United Healthcare Plan of the River Valley – United Healthcare Community Plan

NOTE: **Section B** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. **Section C** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. **Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.**

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

- I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

Response:

Baptist Memorial Hospital-Memphis (BMHM) is proposing to renovate the existing area that houses 5 cardiac catheterization (cath) labs on the concourse floor of the main hospital building. The pre and post cath lab area that is located in close proximity will not be altered. Another cath lab that is primarily used for outpatients on a different floor is not involved in this project.

The renovation will bring the cath labs into compliance with the current health facility guidelines. The functional program requirements will be sustainable in a pleasant effective setting. Cath labs are in the category of Interventional Imaging suite with the following definition.

Interventional imaging suite: A space in the unrestricted area of the building that contains semi-restricted and restricted areas, to which access is restricted to persons wearing proper attire, and that includes peripheral support areas where diagnostic and therapeutic procedures such as cardiac catheterization, electrophysiology, interventional angiography, cardiac stenting, or implantation of devices are performed.

The definition of Restricted area is: a designated space in the semi-restricted area of the suite that can only be accessed through a semi-restricted area. The restricted access is primarily intended to support a high level of asepsis control, not necessarily for security purposes. Traffic in the restricted area is limited to authorized personnel and patients. Personnel in restricted areas are required to wear surgical attire and cover head and facial hair. Masks are required where open sterile supplies or scrubbed persons may be located.

The definition of a Semi-restricted area is: Peripheral support areas surrounding the restricted area of the suite (e.g., storage areas for clean and sterile supplies, sterile processing rooms, scrub stations,

corridors leading to the restricted area.

In addition to allowing the division of the cath lab area into semi-restricted and restricted areas, the project will resize cath labs as required to meet the current guideline requirements. General interventional imaging room size requirements are that the procedure room is large enough to accommodate required equipment and clearances in accordance with the manufacturer's technical specifications, and (1) The procedure room shall have a minimum clear dimension of 18 feet (5.49 meters), and (2) the procedure room shall be sized to allow a minimum clearance of 4 feet (122 centimeters) on all sides of the gantry assembly or table.

The environment will be protected by updating the ventilation system by replacing air handling equipment. Environment is essential for effective patient care and a sustainable work environment that is desirable, pleasant and efficient.

To allow operation of the cath labs to continue during the renovation, the project will be completed in five phases over approximately 18 months after commencement. Each phase will require construction of appropriate construction barriers to protect the integrity and cleanliness of the patient service area.

In addition to the renovation of the building, new cath lab equipment will replace aging units acquired more than 10 years ago that are reaching the end of useful operation. New Siemens Artis Q Ceiling BC Combo Cardiology /Radiology Equipment will be installed in 2 rooms. The equipment is capable of peripheral vascular as well as cardiology imaging. Peripheral vascular catheterization is a growing service.

None of the equipment being replaced is major medical equipment defined as having a cost greater than \$2 million.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

- A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

Response:

Although the renovation cost for this hospital project is less than \$5 million, the following square footage chart was completed for reference. The project involves approximately 14,776 gross square feet (sq. ft.) in renovation which includes 7,728 sq. ft. for replacing an air handler that is mechanical. Combining all areas gives \$171.83 as cost per sq. ft.

The project will be completed in phases to allow the area to continue to operate during renovation.

- B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

Response:

N/A Changes in beds are not part of this project proposal.

C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

1. Adult Psychiatric Services
2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Birthing Center
4. Burn Units
5. Cardiac Catheterization Services
6. Child and Adolescent Psychiatric Services
7. Extracorporeal Lithotripsy
8. Home Health Services
9. Hospice Services
10. Residential Hospice
11. ICF/MR Services
12. Long-term Care Services
13. Magnetic Resonance Imaging (MRI)
14. Mental Health Residential Treatment
15. Neonatal Intensive Care Unit
16. Non-Residential Methadone Treatment Centers
17. Open Heart Surgery
18. Positron Emission Tomography
19. Radiation Therapy/Linear Accelerator
20. Rehabilitation Services
21. Swing Beds

Response

N/A This project does not initiate any new service. The Cath Lab Service has been in operation for more than 30 years and is a mature program.

D. Describe the need to change location or replace an existing facility.

Response

N/A

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$2.0 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

Response

N/A Major medical and other identified equipment listed above are not involved in this project.

1. For fixed-site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:

1. Total cost ;(As defined by Agency Rule).
 2. Expected useful life;
 3. List of clinical applications to be provided; Scans Include;
 4. Documentation of FDA approval
- b. Provide current and proposed schedules of operations.
2. For mobile major medical equipment:

Response

N/A Major medical and other identified equipment listed above are not involved in this project.

- a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost.
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.
3. Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Response

N/A Major medical and other identified equipment listed above are not involved in this project.

- III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which **must** include:
1. Size of site (*in acres*); The hospital campus is on 50 acres.
 2. Location of structure on the site; and
 3. Location of the proposed construction.
 4. Names of streets, roads or highway that cross or border the site.

Response:

A copy of the plot plan is Attached showing the size, location of renovation and streets bordering the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

- (B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Response:

Public transportation is available by bus with access in front of the hospital on Walnut Grove Road. The site is immediately accessible from a thoroughfare that intersects with I240 as shown in the plot plan.

IV.

Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

Response:

A floor plan is attached indicating cath lab locations and phases

NOTE: **DO NOT SUBMIT BLUEPRINTS.** Simple line drawings should be submitted and need not be drawn to scale.

V.

For a Home Health Agency or Hospice, identify:

1. Existing service area by County;
2. Proposed service area by County;
3. A parent or primary service provider;
4. Existing branches; and
5. Proposed branches.

Response

N/A A Home Health Agency or Hospice is not involved in this project.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.
 - a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

Response:

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

Response:

This project does not involve adding beds, services or medical equipment. It is a renovation project for an existing service involving replacement equipment. The CON requirement is due to the combination of costs for renovation and replacement that exceed the \$5 million cost threshold that triggers a need for CON. After discussion with staff at the HSDA and Department of Health the project is being submitted for capital expenditure exceeding \$5 million for renovation of an existing service. The cardiac catheterization services criteria are not applicable to this project since no new services are being added to the cath lab services that are already offered.

2. For relocation or replacement of an existing licensed health care institution:

Response:

N/A This project involves multiple phases to renovate the same area currently used by the Cath Lab. Relocation or replacement is not involved.

- a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

- b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

3. For renovation or expansions of an existing licensed health care institution:

- a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

Response

The continuing utilization of the Cath Lab indicates demand for continuing the service as explained below.

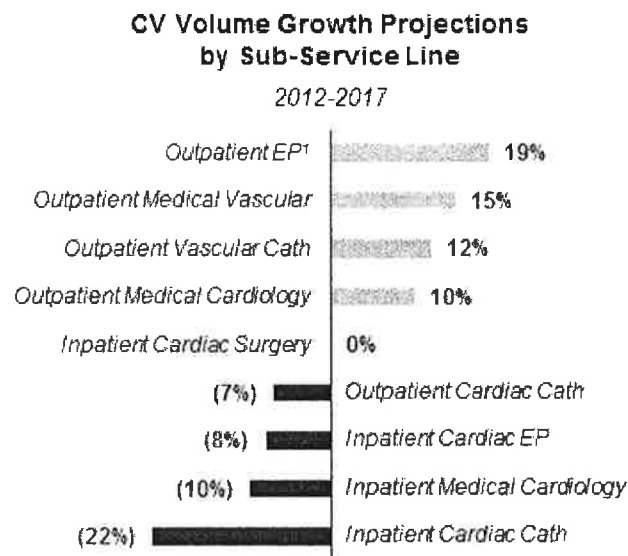
- b. The applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

Response:

BMHM is a thriving tertiary care hospital. This renovation proposal is due to changes in facility guidelines and the normal replacement requirements for aging equipment. If a single piece of equipment had been in the Major Medical equipment category, it could have been replaced without a CON which would have lowered the cost of the entire project below the threshold level.

Existing Need for Cath Lab Service at BMH-Memphis

BMHM operates a mature, thriving Cardiac Catheterization Services program. Current utilization is reflective of National trends. The following Chart of CV Volume Growth projections came from the Health Care Advisory Board.



Source: The Advisory Board's Inpatient and Outpatient Market
Estimator Tools, Advisory Board Research and Analysis

Due to Drug Eluting Stents and other advancements in the field, the chart indicates a declining trend in Outpatient and Inpatient cardiac cath volume. Below is a Table showing procedures from the 2012, 2013 and 2014 Joint Annual Report categories for BMH Memphis. A decrease in the number of inpatient and outpatient Caths on the top row appears to be consistent with the Advisory Board prediction. However, PTCA and Stents do not appear to be decreasing at the same rate and the number of All Other Non-Cardiac procedures that are done in the Cath Lab is substantial.

BMH-MEMPHIS	2012	2013	2014
Intra-Cardiac or Coronary Artery	6,820	5,652	4,160
PTCA	1,443	1,340	1,485
Stents	1,383	1,293	1,517
All Other Non Cardiac	1,502	1,612	1,403

Discussion of this proposal toward implementation of the 5 Principals for Achieving Better Health found in the State Health Plan.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.

Every person's health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.

Response:

The proposed project is to maintain an existing service that can serve to diagnose and treat potentially life-threatening cardiac problems essential for personal health and contribution to society at many levels.

6. Access to Care

Every citizen should have reasonable access to health care.

Many elements impact one's access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

Response:

Access to cardiac and peripheral vascular care will be sustained by continuing to provide cardiac catheterization services in a state-of-art environment.

7. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system. The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.

Response:

Enhancing the operational system efficiencies with new equipment in an efficiently functional work environment will maintain the state's healthcare system at a high level.

8. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.

Response:

Improvements in the operational capabilities with updated equipment in a productive and safe environment that is consistent with recommended health guidelines will support high standards for quality health care.

9. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.

Response:

This project includes healthcare professionals who are dedicated to providing high quality cath lab services. The proposed renovation and equipment upgrade will support the effective performance of dedicated professionals who are experienced.

- c. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c)

Response:

N/A this is an improvement to an existing site of service.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

Response:

This project is consistent with continuing to provide the highest quality of services for the patient communities served. BMHM is dedicated to service with quality and safety while meeting patients' service expectations.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

Response:

A county level map attachment is marked to show Shelby, Fayette and Tipton counties in Tennessee as the primary service area based on patient origin.

4. A. Describe the demographics of the population to be served by this proposal.

Response:

Demographics of the county service area are provided below

	Shelby County	Tennessee
Population, 2014 estimate	938,803	6,549,352
Population, 2010 (April 1) estimates base	927,640	6,346,275
Population, percent change - April 1, 2010 to July 1, 2014	1.20%	3.20%
Population, 2010	927,644	6,346,105
Persons under 5 years, percent, 2014	7.20%	6.10%
Persons under 18 years, percent, 2014	25.50%	22.80%
Persons 65 years and over, percent, 2014	11.60%	15.10%
Female persons, percent, 2014	52.40%	51.30%

- B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Response:

The cardiac cath lab is instrumental in diagnosing and treating heart disease. Diseases of the heart are the number one cause of death in Tennessee and the U.S. The majority of deaths due to diseases of the heart are the result of coronary heart disease.

The age-adjusted death rates for both heart disease and stroke were

higher among black Tennesseans than among white Tennesseans (heart disease: 322 per 100,000 persons for blacks and 246 per 100,000 persons for whites in 2004; Stroke: 86 per 100,000 for blacks and 60 per 100,000 for whites in 2004). (Policy, Planning and Assessment, Tennessee Department of Health)

Heart disease and stroke age-adjusted death rates in Tennessee were also higher among men than among women (heart disease: 320 per 100,000 for men and 205 per 100,000 persons for women in 2004; Stroke: 66 per 100,000 for men and 61 per 100,000 for women in 2004). (Policy, Planning and Assessment, Tennessee Department of Health)

Nearly 70,000 Tennesseans were hospitalized for diseases of the heart (primary diagnosis) in 2002 (The Burden of Heart Disease and Stroke in Tennessee, 2006) Inpatient charges associated with diseases of the heart increased from \$1.2 billion in 1997 (2002 constant dollars) to \$2.1 billion in 2002, a 73% of increase. (The Burden of Heart Disease and Stroke in Tennessee, 2006) -

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

Response

The applicant is not aware of any outstanding projects regarding Cardiac Cath Labs. The following table indicates procedures of Cath Labs in Shelby County Hospitals:

	2011	2012	2013	2014	Grand Total
Baptist Memphis	15651	15730	14102	11473	56956
All Other Heart	3994	3698	3441	4290	13594
All Other Non Cardiac	1152	1502	1612	1403	7498
Intra-Cardiac or Coronary Artery	6760	6820	5652	4160	23392
PTCA	1540	1443	1340	103	4426
Stents	1470	1383	1293	1517	5663
Thrombolytic Therapy	735	884	764	0	2383
Lebonheur-Adult	145	170	178	217	710
All Other Heart	41	33	44	51	169

All Other Non Cardiac	82	76	106	109	373
Intra-Cardiac or Coronary Artery	22	61	28	50	161
PTCA	0	0	0	1	1
Stents	0	0	0	6	6
Thrombolytic Therapy	0	0	0	0	0
Lebonheur-Peds	530	553	589	624	2296
All Other Heart	105	104	115	70	394
All Other Non Cardiac	283	275	316	305	1179
Intra-Cardiac or Coronary Artery	142	174	158	212	686
PTCA	0	0	0	0	0
Stents	0	0	0	32	32
Thrombolytic Therapy	0	0	0	5	5
Methodist Germantown	5874	5517	3639	5142	20172
All Other Heart	2219	1978	1184	1750	7131
All Other Non Cardiac	1145	959	616	758	3478
Intra-Cardiac or Coronary Artery	1911	2019	1450	1966	7346
PTCA	54	55	4	74	187
Stents	545	506	385	594	2030
Thrombolytic Therapy	0	0	0	0	0
Methodist North	4940	4791	2860	3815	16406
All Other Heart	1269	973	248	294	2784
All Other Non Cardiac	1599	1510	768	1047	4924
Intra-Cardiac or Coronary Artery	1535	1698	1313	1719	6265
PTCA	73	66	1	82	222
Stents	464	544	527	673	2208
Thrombolytic Therapy	0	0	3	0	3
Methodist South	1216	1156	1577	3110	7059
All Other Heart	148	155	64	85	452
All Other Non Cardiac	103	43	709	2046	2901
Intra-Cardiac or Coronary Artery	735	715	579	714	2743
PTCA	44	35	17	31	127
Stents	186	208	205	234	833
Thrombolytic Therapy	0	0	3	0	3
Methodist University	11831	10749	6232	24531	53343
All Other Heart	2500	1709	979	19117?	24305
All Other Non Cardiac	4923	4913	2258	2561	14655
Intra-Cardiac or Coronary Artery	2968	2920	2239	2032	10159
PTCA	240	228	9	93	570
Stents	1200	979	732	728	3639
Thrombolytic Therapy	0	0	15	0	15
Regional Med	1084	1671	632	404	3791
All Other Heart	75	318	493	147	1033
All Other Non Cardiac	279	797	3	10	1089

Intra-Cardiac or Coronary Artery	722	542	111	202	1577
PTCA	0	0	11	1	12
Stents	8	14	14	44	80
Thrombolytic Therapy	0	0	0	0	0
St Francis	4643	4031	3999	3742	16415
All Other Heart	1571	918	892	852	4233
All Other Non Cardiac	1297	1294	1207	971	4769
Intra-Cardiac or Coronary Artery	1289	1303	1345	1414	5351
PTCA	31	31	47	42	151
Stents	448	481	505	455	1889
Thrombolytic Therapy	7	4	3	8	22
St Francis-Bartlett	586	836	835	1167	3424
All Other Heart	40	55	131	155	381
All Other Non Cardiac	247	384	237	221	1089
Intra-Cardiac or Coronary Artery	299	349	350	469	1467
PTCA	0	23	55	159	237
Stents	0	22	59	152	233
Thrombolytic Therapy	0	3	3	11	17
Grand Total	46500	45204	34643	54225	180572

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions

Response:

Utilization is based on the number of procedures trended forward. The projections from 2016 forward are anticipated to be relatively consistent.

Year	2013	2014	2015	2016	2017	2018
Procedures	14102	10201	10370	10370	10370	10370

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)

Response

The Chart has been completed on the following page. The CON filing fee has been calculated from Line D to be \$13,716.

- The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment

leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

Response

The Chart has been completed on the following page.

- The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

Response

The equipment cost is \$2,916,749. Major fixed equipment items are not part of the project.

- For projects that include new construction, modification, and/or renovation; **documentation must be** provided from a contractor and/or architect that support the estimated construction costs.

Response

The Chart has been completed on the following page

	<u>Equipment costing more than \$50,000 per unit</u>	<u>Units</u>	<u>Unit Charge</u>	<u>Total</u>
Volcano		2	99,800	199,600
Artis Q Cardiology w combined Interventional rad		1	1,228,442	1,228,442
Artis Q Cardiology w combined Interventional rad		1	1,200,721	1,200,721
TOTAL				2,628,763

PROJECT COSTS CHART

A. Construction and equipment acquired by purchase:	
1. Architectural and Engineering Fees	143,610
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	15,000
3. Acquisition of Site	0
4. Preparation of Site	0
5. Construction Costs(Renovation)	2,501,135
6. Contingency Fund	519,444
7. Fixed Equipment (not included in Construction Contract)	2,497,767
8. Moveable Equipment (List all equipment over \$50,000)	418,982
9. Other (Specify) _____	
B. Acquisition by gift, donation, or lease:	
1. Facility (inclusive of building and land)	0
2. Building only	0
3. Land only	0
4. Equipment (Specify) _____	0
5. Other (Specify) _____	0
C. Financing Costs and Fees:	
1. Interim Financing	0
2. Underwriting Costs	0
3. Reserve for One Year's Debt Service	0
4. Other (Specify) _____	0
D. Estimated Project Cost (A + B + C)	\$ 6,095,938
E. CON Filing Fee	\$ 13,716
F. Total Estimated Project Cost (D + E)	
TOTAL	\$ 6,109,654

2. Identify the funding sources for this project.

Please check the applicable item(s) below and briefly summarize how the project will be financed. (*Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.*)

- ☐ A. Commercial loan—Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds—Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.
- ☐ D. Grants—Notification of intent form for grant application or notice of grant award; or
- ☒ E. Cash Reserves—Appropriate documentation from Chief Financial Officer.
- ☐ F. Other—Identify and document funding from all other sources.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

Response:

The estimated construction cost of the cath lab suite is \$298 per sq. foot. The cost appears to be reasonable based on the HSDA's construction cost per square foot chart for renovated construction. It is in the 3rd Quartile as indicated in the Table below.

Hospital Construction Cost Per Square Foot			
Years: 2012 – 2014		New	Total
Renovated		Construction	Construction
Construction			
1 st Quartile	\$110.98/sq ft	\$224.09/sq ft	\$156.78/sq ft
Median	\$192.46/sq ft	\$259.66/sq ft	\$227.88/sq ft
3 rd Quartile	\$297.82/sq ft	\$296.52/sq ft	\$298.66/sq ft

4. Complete Historical and Projected Data Charts on the following two pages—**Do not modify the Charts provided or submit Chart substitutions!** Historical Data Chart represents revenue and expense information for the last *three* (3) years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the ***Proposal Only*** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

Response:

The Historical Data Chart for the hospital has been completed for the last 3 years available fiscal years (2013-2015) for operations at Baptist Memorial Hospital- Memphis.

The Projected Data Chart has been completed for the cath lab for the first 2 full years following project completion.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Response:

The projected data chart is completed for the cath lab.

Per Procedure	Year 1	Year 2
Gross Charge	\$15,181	\$15,940
Average Deduction	\$11,892	\$12,646
Average Net Charge	\$3,289	\$3,294

HISTORICAL DATA CHART

Give information for the last three (3) years for which complete data are available for the facility
or agency. The fiscal year begins in OCT (Month)

	Year 2012	Year 2013	Year 2014
A. Utilization Data (Discharges)	<u>25,440</u>	<u>24,509</u>	<u>24,737</u>
B. Revenue from Services to Patients			
1. Inpatient Services	\$ 1,168,575,509	\$ 1,281,308,906	\$ 1,294,127,663
2. Outpatient Services	\$ 561,989,211	\$ 618,546,518	\$ 654,272,669
3. Emergency Services	\$ 50,145,402	\$ 60,656,034	\$ 62,003,106
4. Other Operating Revenue (specify) <u>cafeteria,</u> <u>gift shop, etc.</u>	\$ 16,024,049	\$ 16,994,124	\$ 16,698,984
Gross Operating Revenue	<u>\$ 1,796,734,170</u>	<u>\$ 1,977,505,582</u>	<u>\$ 2,027,102,422</u>
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$ 1,172,840,209	\$ 1,355,368,474	\$ 1,424,742,936
2. Provision for Charity Care	\$ 42,466,417	\$ 54,521,298	\$ 54,578,785
3. Provision for Bad Debt	\$ 57,084,980	\$ 63,313,739	\$ 73,607,837
Total Deductions	<u>\$ 1,272,391,605</u>	<u>\$ 1,473,203,512</u>	<u>\$ 1,552,929,558</u>
NET OPERATING REVENUE	<u>\$ 524,342,565</u>	<u>\$ 504,302,070</u>	<u>\$ 474,172,864</u>
D. Operating Expenses			
1. Salaries and Wages	\$ 209,291,052	\$ 201,394,665	\$ 196,930,371
2. Physician's Salaries and Wages			
3. Supplies	\$ 135,564,667	\$ 136,328,976	\$ 131,176,151
4. Taxes	\$ 1,369,438	\$ 1,355,226	\$ 1,817,757
5. Depreciation	\$ 24,031,334	\$ 23,237,042	\$ 23,276,262
6. Rent	\$ 956,752	\$ 1,059,939	\$ 1,073,096
7. Interest, other than Capital	\$ 539	\$ 490	\$ 490
8. Management Fees:			
a. Fees to Affiliates	\$ 52,278,908	\$ 59,039,856	\$ 77,132,582
b. Fees to Non-Affiliates			
9. Other Expenses (Specify on separate page)	\$ 83,426,115	\$ 72,962,996	\$ 83,535,327
Total Operating Expenses	<u>\$ 506,918,804</u>	<u>\$ 495,379,188</u>	<u>\$ 514,942,035</u>
E. Other Revenue (Expenses) - Net (Specify)	\$ 7,395,042	\$ 9,193,074	\$ 7,121,399
NET OPERATING INCOME (LOSS)	<u>\$ 24,818,802</u>	<u>\$ 18,115,956</u>	<u>\$ (33,647,773)</u>
F. Capital Expenditures			
1. Retirement of Principal	\$ 15,235,000	\$ 16,100,000	\$ 17,170,000
2. Interest	\$ 848,550	\$ 763,707	\$ 650,464
Total Capital Expenditures	<u>\$ 16,083,550</u>	<u>\$ 16,863,707</u>	<u>\$ 17,820,464</u>
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES	<u>\$ 8,735,252</u>	<u>\$ 1,252,249</u>	<u>\$ (51,468,237)</u>

HISTORICAL DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<u>Year 2012</u>	<u>Year 2013</u>	<u>Year 2014</u>
Purchased Services	\$ 14,696,553	\$ 12,203,028	\$ 11,104,823
Insurance Expense	\$ 3,611,030	\$ (1,831,936)	\$ 255,733
Utilities	\$ 5,955,675	\$ 5,792,233	\$ 5,726,739
Repairs and Maintenance	\$ 9,128,336	\$ 10,536,853	\$ 10,332,941
Professional Fees:	\$ 23,624,629	\$ 24,106,987	\$ 26,355,046
Medicaid Assessment	\$ 22,240,519	\$ 15,178,966	\$ 12,473,573
Misc	\$ 4,169,373	\$ 6,976,863	\$ 7,011,151
Loss on Asset Impairment			\$ 10,275,321
Total Other Expenses	\$ 83,426,115	\$ 72,962,996	\$ 83,535,327

PROJECTED DATA CHART

Give information for the last two (2) years following the completion of this proposal.
The fiscal year begins in _Oct_ (Month)

	2017 10,730	2018 10,730
A. Utilization Data (Procedures)		
B. Revenue from Services to Patients		
1. Inpatient Services	\$ 70,469,235	\$ 73,992,697
2. Outpatient Services	\$ 92,422,466	\$ 97,043,589
3. Emergency Services		\$ -
4. Other Operating Revenue (specify) <u>cafeteria</u>	\$ 109,669	\$ 115,153
Gross Operating Revenue	\$ 163,001,370	\$ 171,151,439
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$ 120,621,014	\$ 128,363,579
2. Provision for Charity Care	\$ 3,928,333	\$ 4,124,750
3. Provision for Bad Debt	\$ 3,053,895	\$ 3,206,590
Total Deductions	\$ 127,603,242	\$ 135,694,919
NET OPERATING REVENUE	\$ 35,398,128	\$ 35,456,520
D. Operating Expenses		
1. Salaries and Wages	\$ 4,334,731	\$ 4,464,773
2. Physician's Salaries and Wages	\$ -	
3. Supplies	\$ 7,252,669	\$ 7,470,249
4. Taxes	\$ -	
5. Depreciation*-includes depreciation of new CON	\$ 1,758,116	\$ 1,625,584
6. Rent	\$ 229,904	\$ 229,904
7. Interest, other than Capital	\$ -	
8. Management Fees:		
a. Fees to Affiliates		
b. Fees to Non-Affiliates		
9. Other Expenses (Specify on separate page)	\$ 848,619	\$ 848,619
Total Operating Expenses	\$ 14,424,039	\$ 14,639,129
E. Other Revenue (Expenses) - Net (Specify)		
NET OPERATING INCOME (LOSS)	\$ 20,974,089	\$ 20,817,391
F. Capital Expenditures		
1. Retirement of Principal		
2. Interest	\$ -	\$ -
Total Capital Expenditures	\$ -	\$ -
LESS CAPITAL EXPENDITURES	\$ 20,974,089	\$ 20,817,391

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	Year 1	Year 2
Purchased Services	685	685
Linen	51,144	51,144
Courier	341	341
Travel/Education	18,600	18,600
Miscellaneous	1,123	1,123
Repairs	30,641	30,641
Maintenance Contract	744,377	744,377
Leased Equipment	1,708	1,708
Total Other Expenses	848,619	848,619

6. A Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Response

A representative charge schedule is shown below that includes comparison with 2 other recent CON submissions in response to Part B below. Charges will not change as a result of this project.

PROCEDURE RECORD NAME	CPT CODE	BMH	CN1403-007 Dyersburg	CN1502-005 Erlanger
HC PTA SINGLE MAJOR CORONARY ARTERY/BRANCH LC	92920	\$ 16,814.00	\$ 24,089.42	\$ 8,294.00
HC PTA SINGLE MAJOR CORONARY ARTERY/BRANCH LD	92920	\$ 16,814.00	\$ 24,089.42	\$ 8,294.00
HC PTA SINGLE MAJOR CORONARY ARTERY/BRANCH LM	92920	\$ 16,814.00	\$ 24,089.42	\$ 8,294.00
HC PTA SINGLE MAJOR CORONARY ARTERY/BRANCH RC	92920	\$ 16,814.00	\$ 24,089.42	\$ 8,294.00
HC PTA SINGLE MAJOR CORONARY ARTERY/BRANCH RI	92920	\$ 16,814.00	\$ 24,089.42	\$ 8,294.00
HC PTA EA ADDL MAJOR CORONARY ARTERY/BRANCH LC	92921	\$ 15,903.00	\$ 19,271.54	\$ 4,684.00
HC PTA EA ADDL MAJOR CORONARY ARTERY/BRANCH LD	92921	\$ 15,903.00	\$ 19,271.54	\$ 4,684.00
HC PTA EA ADDL MAJOR CORONARY ARTERY/BRANCH RC	92921	\$ 15,903.00	\$ 19,271.54	\$ 4,684.00
HC ATHERECTOMY W PTA SINGLE MAJOR COR ARTERY/BRANCH LC	92924	\$ 23,834.00	\$ 35,698.46	\$ 18,081.00
HC ATHERECTOMY W PTA SINGLE MAJOR COR ARTERY/BRANCH LD	92924	\$ 23,834.00	\$ 35,698.46	\$ 18,081.00
HC ATHERECTOMY W PTA SINGLE MAJOR COR ARTERY/BRANCH LM	92924	\$ 23,834.00	\$ 35,698.46	\$ 18,081.00
HC ATHERECTOMY W PTA SINGLE MAJOR COR ARTERY/BRANCH RC	92924	\$ 23,834.00	\$ 35,698.46	\$ 18,081.00
HC ATHERECTOMY W PTA SINGLE MAJOR COR ARTERY/BRANCH RI	92924	\$ 23,834.00	\$ 35,698.46	\$ 18,081.00
HC ATHERECTOMY W PTA EA ADDL MAJOR COR ARTERY/BRANCH LC	92925	\$ 22,539.00	\$ 35,698.46	\$ 12,455.00
HC ATHERECTOMY W PTA EA ADDL MAJOR COR ARTERY/BRANCH LD	92925	\$ 22,539.00	\$ 35,698.46	\$ 12,455.00
HC ATHERECTOMY W PTA EA ADDL MAJOR COR ARTERY/BRANCH RC	92925	\$ 22,539.00	\$ 35,698.46	\$ 12,455.00

HC STENT(S) W PTA SINGLE MAJOR COR ARTERY/BRANCH LC	92928	\$ 21,196.00	\$ 28,557.91	\$ 22,376.00
HC STENT(S) W PTA SINGLE MAJOR COR ARTERY/BRANCH LD	92928	\$ 21,196.00	\$ 28,557.91	\$ 22,376.00
HC STENT(S) W PTA SINGLE MAJOR COR ARTERY/BRANCH LM	92928	\$ 21,196.00	\$ 28,557.91	\$ 22,376.00
HC STENT(S) W PTA SINGLE MAJOR COR ARTERY/BRANCH RC	92928	\$ 21,196.00	\$ 28,557.91	\$ 22,376.00
HC STENT(S) W PTA SINGLE MAJOR COR ARTERY/BRANCH RI	92928	\$ 21,196.00	\$ 28,557.91	\$ 22,376.00
HC STENT(S) W PTA EA ADDL MAJOR COR ARTERY/BRANCH LC	92929	\$ 20,282.00	\$ 28,557.91	\$ 13,503.00
HC STENT(S) W PTA EA ADDL MAJOR COR ARTERY/BRANCH LD	92929	\$ 20,282.00	\$ 28,557.91	\$ 13,503.00
HC STENT(S) W PTA EA ADDL MAJOR COR ARTERY/BRANCH RC	92929	\$ 20,282.00	\$ 28,557.91	\$ 13,503.00
HC ATHERECTOMY W STENT/PTA SINGLE MAJOR COR ARTERY/BRANCH LC	92933	\$ 45,029.00	\$ 28,557.91	\$ 27,642.00
HC ATHERECTOMY W STENT/PTA SINGLE MAJOR COR ARTERY/BRANCH LD	92933	\$ 45,029.00	\$ 28,557.91	\$ 27,642.00
HC ATHERECTOMY W STENT/PTA SINGLE MAJOR COR ARTERY/BRANCH LM	92933	\$ 45,029.00	\$ 28,557.91	\$ 27,642.00
HC ATHERECTOMY W STENT/PTA SINGLE MAJOR COR ARTERY/BRANCH RC	92933	\$ 45,029.00	\$ 28,557.91	\$ 27,642.00
HC ATHERECTOMY W STENT/PTA SINGLE MAJOR COR ARTERY/BRANCH RI	92933	\$ 45,029.00	\$ 28,557.91	\$ 27,642.00
HC ATHERECTOMY W STENT/PTA EA ADDL MAJOR COR ARTERY/BRANCH LC	92934	\$ 44,116.00	\$ 28,557.91	\$ 16,666.00
HC ATHERECTOMY W STENT/PTA EA ADDL MAJOR COR ARTERY/BRANCH LD	92934	\$ 44,116.00	\$ 28,557.91	\$ 16,666.00
HC ATHERECTOMY W STENT/PTA EA ADDL MAJOR COR ARTERY/BRANCH RC	92934	\$ 44,116.00	\$ 28,557.91	\$ 16,666.00

- B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response

Charges from recently submitted CON applications are shown in columns above.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

Response

The utilization of the cath labs continues to provide a positive contribution to the organization as demonstrated by the projections.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

Response

The utilization continues to generate positive net revenue for the existing established services.

9. Discuss the project's participation in state and federal revenue programs including a **description** of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

Response

The Gross Revenue amounts from federal revenue programs are shown below.

	Gross Revenue	% of total
Medicare	\$ 84,158,029	52%
TennCare/Medicaid	\$ 6,081,369	4%
Self-Pay	\$ 3,657,683	2%
Charity	\$ 172,748	1%

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Response

Balance sheet and income statements are provided as Attachment C, Economic Feasibility-10.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
- a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

Response

One option was to continue operating without change, which was unacceptable because of the age of the equipment and the need to bring the facility into compliance with current guidelines. Another option was to build a new cath lab location in another area, rather than phase the project. This option would have been inefficient and added unnecessary cost.

- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

Response

As described in the question above, the option to build a new cath lab location in another area, rather than phase the project was considered. This option would have been inefficient and added unnecessary cost.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

Response

Baptist Memorial Hospital continues to have relationships with entities throughout the Baptist System and other providers in the community.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

Response

The proposed renovation and continuation of existing service is not anticipated to have impact on other providers and will not duplicate or add capacity.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

Response

FTEs are shown in the chart below.

Position	FTE	Rate	TN BLS
MANAGER-CARDIAC & CATH LAB	1.00	42.63	40.53
NURSE-HEAD	2.90	31.24	28.79
NURSE-REGISTERED PRN II	0.60	31.91	28.79
TECHNOLOGIST-SPECIALS LEAD	1.00	38.67	29.15
TECHNOLOGIST-SPECIALS	11.02	27.51	29.15
TECHNOLOGIST-CARDIAC LAB II	2.00	27.26	22.24
TECHNOLOGIST-CARDIAC LAB I	0.90	17.75	18.70
LPN-EXPANDED II CARDIO	0.90	27.48	25.59
LPN-EXPANDED II	1.00	19.92	19.12
ASSISTANT-PATIENT CARE	1.00	15.30	13.77
NURSE-REGISTERED	24.32	30.05	28.79

Source: Tennessee Department of Labor & Workforce Development

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

Response

No additional FTE's are required to continue providing these services.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review *policies and programs, record keeping, and staff education.*

Response

This is an ongoing service and Baptist Memorial Hospital is Joint Commission accredited and licensed by the Tennessee Department of Health. Baptist is knowledgeable and understands the requirements and regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (*e.g., internships, residencies, etc.*).

Response

Baptist Memorial Health Care Corporation is a strong supporter of educational opportunities throughout the region. Baptist's Philosophy and Mission for the system states that, "... it seeks to ENCOURAGE, GUIDE, and INSTRUCT those individuals entering into professions related to the healing of the body, mind and spirit."

Baptist Memorial College of Health Sciences was chartered in 1994 as a specialized college offering baccalaureate degrees in nursing and in allied health sciences as well as continuing education opportunities for healthcare professionals.

The four year BHS degree includes radiology training in areas of diagnostic medical services, and radiographic technology. BMH will participate to make student learning opportunities available as circumstances allow.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

Response

BMH has reviewed and understands the licensure requirements of the Department of Health and applicable Medicare certification requirements.

- (b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: Health Facilities Licensure will continue to be through the existing hospital license

Accreditation: Joint Commission accreditation will continue

- (c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

Response

A copy of the BMH License is provided

- (d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

Response

The last completed licensure/certification with an approved plan of correction is included as Attachment Orderly Development 7 (d).

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

Response

There are no final orders or judgments to report.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project

Response

There are no final civil or criminal judgments to report.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

Response

BMH will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

Response

A page from the Commercial Appeal is provided.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.

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Shelby County, Tennessee recorded January 24, 2013, at Instrument Number 13010944; and WHEREAS, the beneficial interest of said Deed of Trust was last transferred and assigned to FREEDOM MORTGAGE CORPORATION who is now the owner of said debt; and WHEREAS, the undersigned, Rubin Lublin TN, PLLC, having been appointed as Substitute Trustee by instrument to be filed for record in the Register's Office of Shelby County, Tennessee. NOW, THEREFORE, notice is hereby given that the entire indebtedness has been declared due and payable, and that the undersigned, Rubin Lublin TN, PLLC, as Substitute Trustee or his duly appointed agent, by virtue of the power, duty and authority vested and imposed upon said Substitute Trustee will, on **January 7, 2016 at 12:00 PM** at the Front Entrance Steps of the Shelby County Courthouse, located in Memphis, Tennessee, proceed to sell at public outcry to the highest and best bidder for cash or certified funds ONLY, the following described property situated in Shelby County, Tennessee, to wit: LOT 18, WHITTEN GROVE PD, PHASE 1, AS SHOWN ON PLAT OF RECORD IN PLAT BOOK 192, PAGE 1, IN THE REGISTER'S OFFICE OF SHELBY COUNTY, TENNESSEE, TO WHICH PLAT REFERENCE IS HEREBY MADE FOR A MORE PARTICULAR DESCRIPTION OF SAID PROPERTY. Parcel ID: 095323 E00018 PROPERTY ADDRESS: The street address of the property is believed to be **6652 WHITTEN GROVE DR, MEMPHIS, TN 38134.** In the

real property records of Shelby County Register's Office, Tennessee.
Owner of Debt: Ocwen Loan Servicing, LLC
The following real estate located in Shelby County, Tennessee, will be sold to the highest call bidder subject to all unpaid taxes, prior liens and

surety/IRS, the State of Tennessee Department of Revenue, or the State of Tennessee Department of Labor or Workforce Development are listed as Interested Parties in the advertisement, then the Notice of this foreclosure is being given to them and the Sale will be subject to the applicable governmental enti-

Legal Notices

Legal Notices

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Baptist Memorial Hospital, a Corporation owned by itself, intends to file an application for a Certificate of Need for the renovation and equipment upgrade of the cardiovascular catheterization lab area operated by Baptist Memorial Hospital at 6019 Walnut Grove Road, Memphis, Shelby County, Tennessee 38120. This project does not involve additional inpatient beds, major medical services or initiation of new services for which a certificate of need is required. The total project cost for purposes of the certificate of need application is estimated at \$6,109,654.

The anticipated date of filing the application is on or before December 15, 2015.

The contact person for this project is Arthur Maples, Dir. Regulatory Planning & Policy, who may be reached at 350 N. Humphreys Blvd, Memphis, TN 38120 (901) 227-4137.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency

Andrew Jackson Building, 9th Floor

502 Deaderick Street

Nashville, Tennessee 37243

Pursuant to TCA Sec. 68-11-1607(c)(1), (A) any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-1609(c):
Feb 2016

Assuming the CON approval becomes the final agency action on that date; indicate the number of days from the above agency decision date to each phase of the completion forecast.

<u>Phase</u>	<u>DAYS REQUIRED</u>	<u>Anticipated Date (MONTH/YEAR)</u>
1. <u>Architectural and engineering contract signed</u>	<u>30</u>	<u>March 2016</u>
2. <u>Construction documents approved by the Tennessee Department of Health</u>	<u>60</u>	<u>June 2016</u>
3. <u>Construction contract signed</u>	<u>15</u>	<u>June 2016</u>
4. <u>Building permit secured</u>	<u>15</u>	<u>June 2016</u>
5. <u>Site preparation completed</u>	<u> </u>	<u> </u>
6. <u>Building construction commenced</u>	<u> </u>	<u>July 2016</u>
7. <u>Construction 40% complete</u>	<u> </u>	<u>Feb 2017</u>
8. <u>Construction 80% complete</u>	<u> </u>	<u>Sept 2017</u>
9. <u>Construction 100% complete (approved for occupancy</u>	<u> </u>	<u>Dec 2017</u>
10. <u>*Issuance of license</u>	<u> </u>	<u>N/A</u>
11. <u>*Initiation of service</u>	<u> </u>	<u>Jan 2018</u>
12. <u>Final Architectural Certification of Payment</u>	<u> </u>	<u>March 2018</u>
13. <u>Final Project Report Form (HF0055)</u>	<u> </u>	<u>May 2018</u>

* For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

2015 DEC 14 PM 4:13

AFFIDAVIT

STATE OF Tennessee

COUNTY OF Shelby

Randy King, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

Randy King, VP
SIGNATURE/TITLE

Sworn to and subscribed before me this 14th day of December, 2015 a Notary
(Month) (Year)

Public in and for the County/State of Shelby Tennessee.

Paullette E. Kearney
NOTARY PUBLIC

My commission expires My Comm. Exp. August 21, 2016
(Month/Day) (Year)



INDEX OF ATTACHMENTS

Organizational Documentation	Section A-3
Organizational Chart	Section A-4
Deed	Section A-6
Plot Plan	Section B, III, A (1)
Floor Plan	Section B, IV
Service Area Map	Section C, 3
Architect Letter	Economic Feasibility 1
Chief Financial Officer Letter	Economic Feasibility 2(E)
Balance Sheet and Income Statements	Economic Feasibility, 10
License/Joint Commission	Orderly Development 7 (c)
State Survey/Inspection	Orderly Development 7 (d)

Organizational Documentation

Section A-3



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **BAPTIST MEMORIAL HEALTH CARE CORPORATION**

General Information

SOS Control # 000128385
Filing Type: Nonprofit Corporation - Domestic
05/09/1983 4:30 PM
Status: Active
Duration Term: Perpetual
Public/Mutual Benefit: Public
Formation Locale: TENNESSEE
Date Formed: 05/09/1983
Fiscal Year Close 9

Registered Agent Address

GREGORY M DUCKETT
350 N HUMPHREYS BLVD
MEMPHIS, TN 38120-2177

Principal Address

350 N HUMPHREYS BLVD
MEMPHIS, TN 38120-2177

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
09/24/2014	2014 Annual Report	B0008-6068
11/22/2013	2013 Annual Report	7251-3019
10/12/2012	2012 Annual Report	7103-0893
09/23/2011	2011 Annual Report	6941-2690
10/15/2010	2010 Annual Report	6782-2915
04/26/2010	Articles of Amendment	6711-2301

Registered Agent Middle Name Changed From: No Value To: M

Registered Agent Physical Postal Code Changed From: 381202177 To: 38120

10/20/2009	2009 Annual Report	6613-2022
10/23/2008	2008 Annual Report	6391-2700
10/24/2007	2007 Annual Report	6150-0954
11/20/2006	2006 Annual Report	5892-0854
10/19/2005	2005 Annual Report	5587-1020
12/01/2004	2004 Annual Report	5291-1477
10/01/2003	2003 Annual Report	4924-0472
12/17/2002	2002 Annual Report	4677-0268

Principal Address Changed

12/14/2015 1:43:28 PM

Filing Information

Name: **BAPTIST MEMORIAL HEALTH CARE CORPORATION**

Registered Agent Physical Address Changed	4565-1576
07/31/2002 Administrative Amendment	
Mail Address Changed	
01/16/2002 2001 Annual Report	4395-2186
12/29/2000 2000 Annual Report	4074-1542
11/12/1998 CMS Annual Report Update	3583-0813
Registered Agent Changed	
Fiscal Year Close Changed	
12/12/1995 Articles of Amendment	3084-1140
12/12/1995 Articles of Amendment	3084-1141
10/19/1995 Articles of Amendment	3066-2230
Name Changed	
06/07/1993 CMS Annual Report Update	2699-2552
Fiscal Year Close Changed	
05/03/1993 Articles of Amendment	2688-0735
Name Changed	
05/09/1983 Initial Filing	394 00630

Active Assumed Names (if any)

Date Expires



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **BAPTIST MEMORIAL HOSPITAL**

General Information

SOS Control # 000059948
Filing Type: Nonprofit Corporation - Domestic
03/29/1924 4:30 PM
Status: Active
Duration Term: Perpetual
Public/Mutual Benefit: Public
Formation Locale: TENNESSEE
Date Formed: 03/29/1924
Fiscal Year Close 9

Registered Agent Address

GREG DUCKETT
350 N HUMPHREYS BLVD
MEMPHIS, TN 38120-2177

Principal Address

6019 WALNUT GROVE RD
MEMPHIS, TN 38120-2113

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
08/07/2015	Assumed Name Cancellation Name Status Changed From: Active (Baptist Gastrointestinal Specialists Surgery Center) To: Inactive - Name Canceled (Baptist Gastrointestinal Specialists Surgery Center)	B0139-0864
06/26/2015	Assumed Name Renewal Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL-MEMPHIS To: BAPTIST MEMORIAL HOSPITAL-MEMPHIS Expiration Date Changed From: 08/09/2015 To: 06/26/2020	B0114-8165
06/26/2015	Assumed Name Renewal Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE To: BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE Expiration Date Changed From: 08/09/2015 To: 06/26/2020	B0114-8168
09/24/2014	2014 Annual Report	B0008-6092
11/22/2013	2013 Annual Report	7251-3017
09/20/2013	Assumed Name Renewal Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL FOR WOMEN To: BAPTIST MEMORIAL HOSPITAL FOR WOMEN Expiration Date Changed From: 10/09/2013 To: 09/20/2018	7242-1057
01/15/2013	Assumed Name Cancellation	7131-3150

Filing Information

Name: **BAPTIST MEMORIAL HOSPITAL**

Name Status Changed From: Active (BMH-MEMPHIS) To: Inactive - Name Cancelled (BMH-MEMPHIS)	
01/15/2013 Assumed Name Cancellation	7131-3151
Name Status Changed From: Active (BMH-COLLIERVILLE) To: Inactive - Name Cancelled (BMH-COLLIERVILLE)	
01/15/2013 Assumed Name	7131-3152
New Assumed Name Changed From: No Value To: Baptist Gastrointestinal Specialists Surgery Center	
10/12/2012 2012 Annual Report	7103-0880
Principal Postal Code Changed From: 38120 To: 38120-2113	
09/23/2011 2011 Annual Report	6941-2675
10/15/2010 2010 Annual Report	6782-2906
08/09/2010 Assumed Name Renewal	6753-2741
Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL-MEMPHIS To: BAPTIST MEMORIAL HOSPITAL-MEMPHIS	
Expiration Date Changed From: 08/09/2010 To: 08/09/2015	
08/09/2010 Assumed Name Renewal	6753-2742
Assumed Name Changed From: BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE To: BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE	
Expiration Date Changed From: 08/09/2010 To: 08/09/2015	
08/09/2010 Assumed Name Renewal	6753-2743
Assumed Name Changed From: BMH-MEMPHIS To: BMH-MEMPHIS	
Expiration Date Changed From: 08/09/2010 To: 08/09/2015	
08/09/2010 Assumed Name Renewal	6753-2744
Assumed Name Changed From: BMH-COLLIERVILLE To: BMH-COLLIERVILLE	
Expiration Date Changed From: 08/09/2010 To: 08/09/2015	
10/20/2009 2009 Annual Report	6613-2030
11/07/2008 Assumed Name Change	6397-2378
10/23/2008 2008 Annual Report	6391-2716
10/09/2008 Assumed Name	6388-1626
08/08/2008 Merger	6361-0663
Merged Control # Changed From: 000407601	
Merged Control # Changed From: 000059948	
10/24/2007 2007 Annual Report	6150-0963
11/20/2006 2006 Annual Report	5892-0832
10/19/2005 2005 Annual Report	5587-0994
08/09/2005 Assumed Name	5529-0246
08/09/2005 Assumed Name	5529-0247
08/09/2005 Assumed Name	5529-0248
08/09/2005 Assumed Name	5529-0249
12/14/2015 1:42:35 PM	

Filing Information

Name: **BAPTIST MEMORIAL HOSPITAL**

12/01/2004 2004 Annual Report	5291-1455
10/01/2003 2003 Annual Report	4924-0462
12/17/2002 2002 Annual Report	4677-0263
Principal Address Changed	
Registered Agent Physical Address Changed	
07/31/2002 Administrative Amendment	4565-1576
Mail Address Changed	
01/16/2002 2001 Annual Report	4395-2163
Mail Address Changed	
12/29/2000 2000 Annual Report	4074-1546
Registered Agent Changed	
11/10/1999 CMS Annual Report Update	3764-3500
Principal Address Changed	
06/06/1997 Merger	3346-2343
Merged Control # Changed From: 000059948	
Merged Control # Changed From: 000139755	
10/11/1996 Amended and Restated Formation Documents	3228-1590
Registered Agent Changed	
09/28/1995 Articles of Amendment	3059-1360
03/14/1995 CMS Annual Report Update	2974-1046
Fiscal Year Close Changed	
02/02/1991 Administrative Amendment	FYC/REVENUE
Fiscal Year Close Changed	
01/07/1991 Restated Formation Documents	2030-0514
Registered Agent Physical Address Changed	
01/04/1991 Administrative Amendment	2026-1921
Fiscal Year Close Changed	
06/16/1990 Administrative Amendment	FYC/REVENUE
Fiscal Year Close Changed	
08/03/1982 Articles of Amendment	307 01007
Name Changed	
Principal Address Changed	
07/30/1982 Restated Formation Documents	307 01007
03/29/1924 Initial Filing	BB02P0123

Filing Information

Name: **BAPTIST MEMORIAL HOSPITAL**

Active Assumed Names (if any)	Date	Expires
BAPTIST MEMORIAL HOSPITAL-MEMPHIS	08/09/2005	06/26/2020
BAPTIST MEMORIAL HOSPITAL-COLLIERVILLE	08/09/2005	06/26/2020
BAPTIST MEMORIAL HOSPITAL FOR WOMEN	10/09/2008	09/20/2018

Restated Charter of Baptist Memorial Hospital

Pursuant to the provisions of Section 48-60-106 of the Tennessee Nonprofit Corporation Act, the undersigned corporation adopts the following restated charter:

1. The name of the corporation is Baptist Memorial Hospital.
2. The duration of the corporation is perpetual.
3. The address of the principal office of the corporation in the State of Tennessee shall be 899 Madison Avenue, Memphis, Shelby County, Tennessee 38146.
4. The street address and zip code of the corporation's registered office is:
899 Madison Avenue
Memphis, Tennessee 38146
5. The corporation's registered office is located in Shelby County, Tennessee.
6. The name of the corporation's registered agent at that office is Charles R. Baker.
7. The corporation is a public benefit corporation.
8. The corporation is not-for-profit.
9. The purpose or purposes for which the corporation is organized are charitable, educational, religious and scientific, for the general welfare and not-for-profit, and particularly relating to the various aspects of hospital and health care and education, including the prevention of illness and disease and the treatment and care of persons who are ill, infirm or injured, in line with the traditional and ongoing mission of the Baptist churches affiliated through their State Baptist Conventions in Arkansas, Mississippi and Tennessee with the Southern Baptist Convention as now known and practiced among Baptists.
10. The corporation is authorized to establish, maintain and conduct hospitals, clinics, home health care organizations, rehabilitation centers, health maintenance organizations, hospices, nursing homes, nursing and other schools, educational organizations and

related institutions; to acquire, own, lease, manage, operate, conduct, provide services to, affiliate with and generally deal with such organizations, and real and personal property, equipment and materials related thereto, and any other supporting business entities or units, facilities and activities deemed to be appropriate in connection therewith and permitted by the Tennessee Nonprofit Corporation Act, including the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, contributions to which are deductible under Section 170(c)(2) of said Code or corresponding provisions of any future United States internal revenue law. Notwithstanding any other provisions hereof, however, the corporation shall not carry on activities not permitted to be carried on by a corporation exempt under the said Section 501(c)(3) of the Internal Revenue Code, contributions to which are deductible under Section 170(c)(2) of said Code or corresponding provisions of any future United States internal revenue law. No part of any net earnings of the corporation shall inure to the benefit of any private shareholder or individual; and no substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

11. The governing body of the corporation shall be a Board of Directors of not less than 3 nor more than 12 persons, as shall be set out in the bylaws. The directors shall be chosen, and their terms of office and manner of filling vacancies determined, by the sole member, Baptist Memorial Health Care System, Inc., a Tennessee not for profit corporation established under the authority of the said Arkansas, Mississippi and Tennessee Baptist Conventions.

12. In the event of the dissolution of the corporation and after paying or providing for payment of all liabilities of the corporation, the residual assets of the corporation shall be distributed to Baptist Memorial Health Care System, Inc. if at the time it qualifies as an exempt organization under Sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986, or corresponding provisions of any future United States internal revenue law. If for any reason Baptist Memorial Health Care System, Inc. shall not then qualify as such exempt organization then the assets shall be distributed equally to and among the said Arkansas, Mississippi and Tennessee Baptist Conventions, provided that they then qualify as exempt organizations

under Sections 501(c)(3) and 170(c)(2) of the Internal Revenue Code of 1986 or corresponding provisions of any future United States internal revenue law. If for any reason the said Baptist Conventions do not then so qualify for exemption, or otherwise cannot receive such assets, then the assets shall be distributed to one or more organizations as may be selected which do so qualify, for exclusively charitable, educational, religious and/or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or corresponding provisions of any future United States internal revenue law.

Dated: December 10, 1990.

BAPTIST MEMORIAL HOSPITAL

By: _____
Joseph H. Powell, President

Bylaws of Baptist Memorial Hospital

CHAPTER I

Section 1: *Name.* The name of this Institution shall be Baptist Memorial Hospital.

Section 2: *Principal Office.* The principal office of Baptist Memorial Hospital shall be 899 Madison Avenue, Memphis, Tennessee.

Section 3: *General Purposes.* The primary purpose of Baptist Memorial Hospital is to provide hospital and related health services, education, and scientific research in accordance with Christian principles as set out in the Charter of Incorporation, in line with the mission of the sole member, Baptist Memorial Health Care System, Inc.

CHAPTER II

Section 1: *Board of Directors.* The governing body of Baptist Memorial Hospital is its Board of Directors. The Board is responsible for operating the hospital within the scope of authority prescribed by the member. No delegation of authority by the Board of Directors to any other body or group shall preclude the Board from rescinding such delegation.

Section 2: *Appointment of Directors.* The Board of Directors of Baptist Memorial Hospital shall consist of twelve (12) persons who shall be appointed and who may be removed with or without cause by the member, Baptist Memorial Health Care System, Inc. Three (3) of the directors shall be residents of Arkansas, three (3) shall be residents of Mississippi, three (3) shall be residents of Tennessee, and three (3) shall be members of the Active Medical Staff of Baptist Memorial Hospital.

Section 3: *Terms of Office.* The terms of office of the directors of the Hospital shall be one year, unless otherwise determined by the member.

Section 4: *Vacancy.* In the event of the death, resignation or removal of a director, the vacancy shall be filled by the member.

Section 5: *Quorum.* A majority of the directors shall constitute a

quorum for the transaction of business. Proxies, in writing to the Chairman or Secretary of the Board of Directors, will be recognized only when such are necessary to form a quorum. The Board of Directors, or any committee thereof, may authorize or take action upon unanimous written consent to the same extent such action could be taken at a regular or special called meeting at which the directors were present in session, in accordance with Tennessee law.

Section 6: Meetings. The Board of Directors shall hold an annual meeting on the third Tuesday in January, or at such other time as may be fixed by the Board. The general officers of the Board shall be nominated and elected at the annual meeting.

Regular meetings of the Board of Directors will be held in accordance with a schedule to be adopted by the Board.

Special meetings may be called by the Chairman of the Board, the Vice Chairman in his absence, or by any five (5) members of the Board of Directors for the purpose of transacting any business, provided that notice of the time, place and purpose of the special meeting is mailed to the last known address of each director at least five (5) days preceding the date of the special meeting. Such notice may be waived by the directors.

All meetings of the Board of Directors shall be held at the headquarters of the corporation or at other locations when authorized by the Board. The Board and its committees are authorized to hold executive sessions.

CHAPTER III

Section 1: Officers of the Board of Directors. The general officers of the Board of Directors shall be a Chairman and three (3) Vice-Chairmen. Each officer shall be a member of the Board of Directors.

Section 2: Term of Office. The general officers shall serve until the next annual meeting or until their successors are elected and take office.

Section 3: Chairman. The Chairman shall preside at all meetings of the Board, manifest an interest in the general operations of the hospital and its allied agencies, and perform duties customarily assigned to the Chairman. He shall be an ex-officio member of all committees of the Board.

Section 4: Vice-Chairmen. In the event of the absence or disability of the Chairman, a Vice-Chairman shall be designated to carry out his duties.

CHAPTER IV

Section 1: *Committees of the Board.* The Board of Directors may authorize the formation of committees consisting of two or more persons, and may delegate appropriate authority to such committees as permitted under the Tennessee Nonprofit Corporation Act. In forming such committees, the Board shall give title to them, specify the qualifications for membership, prescribe the procedure for appointment and outline the duties and responsibilities thereof. The committees so formed shall be described in administrative regulations of the hospital.

Section 2: *Administrative Regulations.* The Board of Directors shall adopt Administrative Regulations. These shall exist in complementary manner to the Charter and Bylaws for the purpose of guiding the Board of Directors, its committees, and the President of the hospital in the implementation of their duties and responsibilities. The particular provisions shall derive from the Charter and Bylaws of the Baptist Memorial Health Care System, Inc., the Charter and Bylaws of Baptist Memorial Hospital, and actions and interpretations by the Board of Directors of the Hospital.

Section 3: *President.* The member shall appoint the President of Baptist Memorial Hospital. The President shall be the chief executive officer of the Hospital. The President shall have the necessary authority and responsibility for the management of the Hospital in its various activities and for the carrying out of the policies and resolutions of the Board. The President shall facilitate communications between the Hospital (governing body, administration, medical staff) and other health care delivery organizations that are corporately and functionally related.

The President shall periodically develop and submit to the Board or its authorized committee(s) plans and/or reports respecting hospital operations, personnel and corporate organization, professional services, budgets and financial information, communications with related health care delivery organizations, together with such other reports as the Board requests. In addition to the authority to select, employ, determine the compensation of and discharge hospital personnel generally, and to establish personnel policies and practices, the President is further authorized to select, employ, and discharge such Vice-Presidents, a corporate Secretary, and other administrative officers as he deems necessary or appropriate to assist in carrying out his duties. The President shall cause minutes of the meetings of the Board of Directors to be prepared and maintained on file as the Board may direct.

The President shall be guided by the principle that it is not in the best interest of the hospital to do business with business organizations in which a member of the Board of Directors, administrative staff or department head may have a substantial interest; or employ relatives (immediate families) of members of the Board of Directors, administrative staff and department heads. Exceptions may be made by express approval of the Board of Directors.

Section 4: *Auxiliaries*. In the formation of any auxiliary groups, the Board of Directors shall approve the purposes and bylaws of these groups in order to assure the consistency of the existence of these groups with the purposes of the hospital.

CHAPTER V

Section 1: *Funds*. The funds of the hospital shall be maintained in such accounts as deemed appropriate by the Board of Directors. Authorization for withdrawal of funds from these accounts shall be signed by two persons who shall be employees of the hospital who have been designated for this purpose by the Board of Directors.

Section 2: *Gifts*. Except where the hospital has agreed to accept a gift for a restricted purpose, all gifts shall be deemed to have been received for the purpose of the general development of the hospital.

Section 3: *Audit*. The Board of Directors shall name an audit firm whose duties shall include the making of an audit each year as of September 30th. Any State Convention desiring an additional audit may make such audit at its own expense.

Section 4: *Agents*. The Board of Directors is authorized to employ such agents as it deems appropriate.

Section 5: *Long Term Debt*. The Hospital shall not incur long term debt without the approval of the member.

CHAPTER VI

Section 1: *Medical Staff*. The Board of Directors shall cause to be named a Medical Staff of the hospital, and approve the organization of the Medical Staff. The Medical Staff organization functions as an integral part of the hospital corporation. Through its department chairmen, committees and officers, the Medical Staff is accountable and responsible to the Board of Directors for the discharge of those duties and responsibilities delegated to it by the Board, including the quality of medical care practiced in the hospital. With respect to the quality of medical care and other pertinent matters, the Board of Directors shall meet regularly (at least quarterly) with representatives

of the Medical Staff Executive Committee (generally the President, Secretary, and Chief of Staff, or others designated by the President of the Medical Staff) for appropriate communications and to receive recommendations and reports pertaining to Medical Staff functions and responsibilities. In addition, the Board of Directors may establish committees consisting of directors, members of the medical staff, and members of the administrative staff to perform designated duties outlined in the Medical Staff Constitution and Bylaws and the Hospital Bylaws, and to facilitate further communication between the Board, the Medical Staff, and Administration as indicated on matters of mutual interest.

The Medical Staff is responsible to the Board of Directors for the development, adoption, and periodic review of a Constitution and Bylaws of the Medical Staff to include procedures and requirements for medical staff appointment, advancement, credentialing, discipline, organization, and other functions. The Constitution and Bylaws of the Medical Staff and any changes therein shall require approval of the Board of Directors before becoming official. In all events the Board of Directors as the governing body shall have final authority in determining the staff appointment and privileges granted to practitioners and in this capacity shall be the final authority respecting the appeal procedure. The Board specifically reserves the authority to take any direct action it deems appropriate with respect to the right to practice or exercise privileges in the hospital. Action taken by the Board in such cases may, but need not, follow the procedures outlined in the Constitution and Bylaws of the Medical Staff; however, any Board action based upon competence or professional conduct that would result in a reduction of clinical privileges, suspension of clinical privileges (except for a period of up to 14 days for investigative purposes), revocation of staff appointment or denial of reappointment shall entitle the affected practitioner to a hearing and appeal as outlined in the Constitution and Bylaws of the Medical Staff except that members of the hearing body shall be appointed by the Chairman of the Board and may consist entirely of directors.

The hospital has the authority to enter into contracts or employment relations with physicians for the performance of certain services, including exclusive contracts for medical services when deemed to be appropriate. All physicians functioning pursuant to such contracts or employment relationships shall obtain and maintain Medical Staff appointment and the pertinent clinical privileges necessary to perform the particular services, which shall be processed as described in the Constitution and Bylaws of the Medical Staff. If a question arises

concerning clinical competence or clinical privileges during the term of the contract, that question shall be processed in the same manner as would pertain to any other Medical Staff appointee. If a modification of privileges or appointment resulting from such action is sufficient to prevent the physician from adequately performing his contractual duties, the contract shall automatically terminate. Clinical privileges or medical staff appointment resulting from a contract or employment arrangement shall be valid only during the term thereof. In the event that the contract or employment arrangement expires or is terminated, the clinical privileges and Medical Staff appointment resulting from the contract or employment shall automatically expire at the time the contract or employment expires or terminates. This expiration of clinical privileges and Medical Staff appointment or the termination or expiration of the contract itself, shall not entitle the physician to any hearing or appeal, unless there is a specific provision to the contrary in the contract. In the event that only a portion of the physician's clinical privileges are covered by the contract or employment, only that portion shall be affected by the expiration or termination of the contract or employment. Specific contractual or employment terms shall in all cases be controlling in the event that they conflict with provisions of the Constitution and Bylaws of the Medical Staff.

Section 2: *Quality and Risk Management.* The Board of Directors shall cause to be developed and shall support quality and risk management functions for the hospital. Responsibility for the conduct of these functions is delegated to the Medical Staff and the President of the Hospital. Each level of the organization (e.g. medical staff, nursing, clinical support services, etc.) is responsible and accountable to the Board of Directors for the quality of care provided within its respective range of services and/or clinical privileges through established reporting relationships. Monitoring and evaluation of the quality of patient care and of risks of patient injury associated with care shall be performed and reported to the Board through the hospital-wide quality and risk management programs.

CHAPTER VII

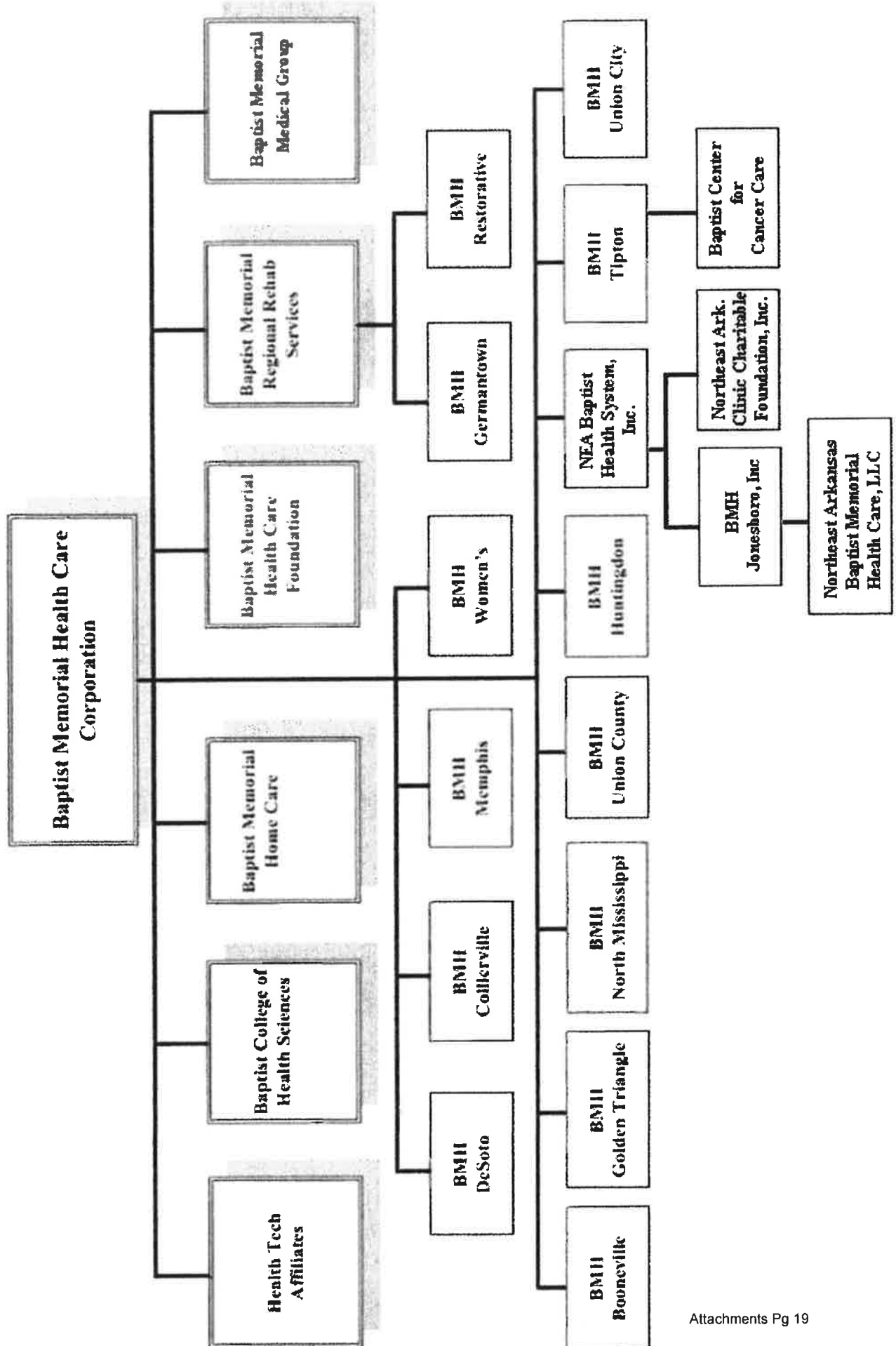
Section 1: *Amendments to Bylaws.* These bylaws may be amended in accordance with the provisions of the Tennessee Nonprofit Corporation Act, and with approval of the member.

Section 2: *Miscellaneous.* Pronouns of any gender used herein shall include the other genders.

Organizational Chart

Section A-4

Baptist Memorial Health Care System Memphis, Tennessee



Deed

Section A-6

QUIT CLAIM DEED

Baptist Memorial Health Care Corporation, a Tennessee nonprofit corporation, party of the first part, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby bargain, sell, remise, release, quit claim and convey unto Baptist Memorial Hospital, a Tennessee not for profit corporation, party of the second part, all its right, title and interest in and to the following described real estate located in Shelby County, State of Tennessee, to-wit:

The property set forth on Exhibit A attached hereto and made a part hereof.

Being the same property conveyed to Baptist Memorial Health Care Corporation by Warranty Deed of record at Instrument No. HD 9154 in the said Register's Office.

IN TESTIMONY WHEREOF, the party of the first part has executed this Instrument effective as of the 1st day of November, 1999.

BAPTIST MEMORIAL HEALTH CARE CORPORATION

By: David C. Hogan
David C. Hogan
Title: Executive Vice President

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, the undersigned, a Notary Public of the State and County aforesaid, personally appeared David C. Hogan with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be the Executive Vice President of Baptist Memorial Health Care Corporation, the within named bargainer, a nonprofit corporation, and that he as such Executive Vice President executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as Executive Vice President.

WITNESS my hand and Official Seal at office this 11th day of November, 1999.

Mary J. Swartz
Notary Public

My Commission Expires: September 12, 2000

Description of part of the BIC-WH Partnership, Ltd., property recorded in Instrument No. Y6-2456 and Instrument No. Y6-2458 and being part of Parcel 1, Outline Plan Humphreys Boulevard P.D. recorded in Plat Book 108, Page 26 and being Parcel One, Phase Twelve, Humphreys Boulevard, P.D. recorded in Plat Book 130, Page 28 and being Parcel 1, Phase Nine, Humphreys Boulevard P.D. recorded in Plat Book 131, Page 54 in Memphis, Tennessee.

Beginning at a set 1/2" rebar with plastic cap in the southwest line of Humphreys Boulevard (106' R.O.W.), said point being the southeast corner of Phase Five, Humphreys Boulevard P.D. recorded in Plat Book 138, Page 66; thence south 26 degrees 58 minutes 46 seconds east with the southwest line of said Humphreys Boulevard 28.97 feet to a point of curve; thence southeastwardly on a curve to the left having a radius of 5053.00 feet, delta angle of 08 degrees 01 minutes 28 seconds east and with the southwest line of said Humphreys Boulevard a curve distance of 735.64 feet to a point, said point being the northeast corner of Parcel One, Phase Twelve, Humphreys Boulevard P.D. recorded in Plat Book 130, page 28; thence southeastwardly on a curve to the left having a radius of 5053.00 feet, delta angle of 01 degrees 09 minutes 45 seconds, chord distance of 102.53 feet, chord bearing of south 36 degrees 46 minutes 35 seconds east and with the southwest line of said Humphreys Boulevard a curve distance of 102.53 feet to a point, said point being the most eastwardly southeast corner of said Parcel One, Phase Twelve, Humphreys Boulevard P.D. recorded in Plat Book 130, Page 28; thence westwardly with the south line of said Parcel One, Phase Twelve, Humphreys Boulevard P.D. recorded in Plat Book 130, Page 28 the following calls: northwestwardly on a curve to the left having a radius of 24.00 feet, delta angle of 89 degrees 19 minutes 23 seconds, chord distance of 33.74 feet, chord bearing of north 82 degrees 01 minutes 23 seconds west and a curve distance of 37.42 feet; south 53 degrees 18 minutes 55 seconds west 49.78 feet to a point; southwestwardly on a curve to the right having a radius of 135.00 feet, delta angle of 40 degrees 31 minutes 38 seconds, chord distance of 95.51 feet, chord bearing of south 73 degrees 34 minutes 41 seconds west, and a curve distance of 95.49 feet; north 86 degrees 09 minutes 30 seconds west, 79.52 feet to a set 1/2" rebar with a plastic cap; south 03 degrees 42 minutes 03 seconds west, 37.30 feet to a set 1/2" rebar with plastic cap in the south line of said property recorded in Instrument No. Y6-2456 and Instrument No. Y6-2458; thence north 86 degrees 09 minutes 30 seconds west with the south line of said property recorded in Instrument No. Y6-2456 and Instrument No. Y6-2458 and with the north line of the Goodwin Development Co., Inc. Property recorded in Instrument V1-3828 and with the north line of Lot 8A and 8B of Section A, Meadow Grove Farms Subdivision, Re-Subdivision of Lots 8 and 9 recorded in Plat Book 120, Page 88 and with the north line of Lot 7, Section A, Meadow Grove Farms Subdivision, recorded in Plat Book 80, Page 57 and with the north line of Lot 5 and Lot 6 of the Boyle Investment Company's Re-Subdivision of Lots 4, 5, 6 and 11, Meadow Grove Farms Subdivision, recorded in Plat Book 106, Page 27, 939.07 feet to a found concrete monument; thence north 57 degrees 49 minutes 40 seconds west with a southwest line of said property recorded in Instrument No. Y6-2456 and Instrument Y6-2458 and with the northeast line of Lot 45 and Lot 46, River Oaks P.D. Eighth Addition recorded in Plat Book 152, Page 44, 410.95 feet to a set 1/2" rebar with plastic cap in the east line of the Baptist Memorial Hospital East property recorded in Plat Book 147, Page 94; thence north 01 degrees 21 minutes 00 seconds east with the east line of said property recorded in Plat Book 147, Page 94, 550.70 feet to a found rebar in the south line of Humphreys Boulevard P.D., Phase XV, Parcel 1 recorded in Plat Book 136, Page 59; thence south 86 degrees 09 minutes 30 seconds east with the south line of said Humphreys Boulevard P.D., Phase XV, Parcel 1 recorded in Plat Book 136, Page 59 and crossing Humphreys Center Drive (Private Drive) and with the south line of Phase Five, Humphreys Boulevard P.D. recorded in Plat Book 138, Page 66, 470.48 feet to a point; thence eastwardly with the south line of said Phase Five, Humphreys Boulevard P.D. recorded in Plat Book 138, Page 66 the following calls: south 50 degrees 19 minutes 51

seconds east, 98.15 feet; south 86 degrees 09 minutes 30 seconds east, 237.42 feet; north 58 degrees 00 minutes 51 seconds east, 98.15 feet to a set 1/2" rebar with plastic cap; south 86 degrees 09 minutes 30 seconds east, 92.77 feet to a set 1/2" rebar with plastic cap; north 63 degrees 50 minutes 30 seconds east, 105.47 feet to the point of beginning and containing 21.259 acres of land.

LESS AND EXCEPT:

Part of Final Plan, Parcel 1, Phase Nine, Humphreys Boulevard, Planned Development in Memphis, Tennessee as recorded in Plat Book 131, Page 54:

Beginning at a point in the southwesterly line of Humphreys Boulevard a distance of 923.44 feet southeastwardly from the southeasterly end of a curve having a radius of 140 feet located at the southwest corner of Walnut Grove Road and Humphreys Boulevard, said point being in the southerly line of Phase Five, Humphreys Boulevard P.D. as recorded in Plat Book 120, Page 18; thence south 63 degrees 50 minutes 30 seconds west with the said southerly line of Phase Five, Humphreys Boulevard P.D., a distance of 105.47 feet; thence north 86 degrees 09 minutes 30 seconds west with the said southerly line of Phase Five, Humphreys Boulevard, P.D. a distance of 92.77 feet; thence south 58 degrees 00 minutes 51 seconds west with the said southerly line of Phase Five, Humphreys Boulevard P.D., a distance of 98.15 feet; thence north 86 degrees 09 minutes 30 seconds west with the said southerly line of Phase Five, Humphreys Boulevard P.D., a distance of 118.71 feet to the true point of beginning of the following described Parcel of Land, said point being the northwest corner of Phase Seven, Humphreys Boulevard P.D.; thence south 3 degrees 50 minutes 30 seconds west with the west line of Phase Seven, Humphreys Boulevard P.D. a distance of 145.52 feet to the most northerly corner of Phase Eight, Humphreys Boulevard, P.D.; thence south 48 degrees 50 minutes 30 seconds west with a northwesterly line of Phase Eight, Humphreys Boulevard P.D., a distance of 311.5 feet to an iron pin (set); thence southeastwardly along a curve to the left having a radius of 311.5 feet a distance of 45.92 feet (chord south 45 degrees 22 minutes 55 seconds east 45.88 feet) to an iron pin (set) in a westerly line of Phase Eight, Humphreys Boulevard P.D.; thence south 40 degrees 23 minutes 40 seconds west with the said westerly line of Phase Eight, Humphreys Boulevard, P.D. a distance of 163.85 feet to an iron pin (set); thence south 3 degrees 50 minutes 30 seconds west with the west line of Phase Eight, Humphreys Boulevard P.D.; a distance of 160.38 feet to an iron pin (found) at the northwest corner of Lot 5, Section "A", Meadow Farms Resubdivision as recorded in Plat Book 106, Page 27; thence north 57 degrees 49 minutes 40 seconds west with the southwesterly line of Parcel One, Humphreys P.D. a distance of 410.95 feet to an iron pin (set) at the southeast corner of the Baptist Memorial Hospital Property, said point being in the west line of Parcel One, Humphreys Boulevard P.D.; thence north 1 degrees 21 minutes 00 seconds east with the east line of the Baptist Memorial Hospital Property a distance of 550.7 feet to an iron pin (found) in the westwardly projection of a south line of Phase Five, Humphreys Boulevard P.D. as recorded in Plat Book 120, Page 18; thence south 86 degrees 09 minutes 30 seconds east with the said westwardly prolongation of a south line of Phase Five, Humphreys Boulevard P.D. and partly with the said south line of Phase Five, Humphreys Boulevard P.D. a distance of 470.48 feet; thence south 50 degrees 19 minutes 51 seconds east with the said southerly line of Phase Five, Humphreys Boulevard, P.D. a distance of 98.15 feet; thence south 86 degrees 09 minutes 30 seconds east with the south line of Phase Five, Humphreys Boulevard P.D. a distance of 118.71 feet to the point of beginning and containing 7.71 acres of land.

JV 9598

Title Transfer	
State of Tennessee	
JV 9598	
D/C: V - MAX HAYES	
VALUATION	N/A
IN MORTGAGE TAX	N/A
IN TRANSFER TAX	N/A
RECORDING FEE	20.00
DEED FEE	2.00
REMITTANCE FEE	N/A
WAKE FEE	20.00
TOTAL AMOUNT	42.00
STATE OF TENNESSEE, COUNTY OF SHELBY	
GARY A. BATES, REGISTER	

JV9598

SHELBY COUNTY
REGISTER OF DEEDS
99 NOV 16 PM 1:50

WARRANTY DEED

THIS INDENTURE, made and entered into this 31st day of May, 1974, by and between WILLIAM W. FARRIS, Trustee, party of the first part and BAPTIST MEMORIAL HOSPITAL, a Tennessee Corporation, party of the second part.

WITNESSETH: That for and in consideration of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable considerations, the receipt of all of which is hereby acknowledged, the said party of the first part has bargained and sold and does hereby bargain, sell, convey and confirm unto the said party of the second part the following described real estate, situated and being in the City of Memphis, County of Shelby, State of Tennessee, to-wit:

PARCEL I: Beginning at the point of intersection of the east line of Briarview Street, (60 feet wide), as indicated by the plat of Section "B", Briarwood Subdivision as same is recorded in Plat Book 26, Page 36, in the Shelby County Register's Office, and the south line of Walnut Grove Road as described in Warranty Deed of record in Book 4737, Page 30; thence south 25 degrees, 44 minutes, east, along the south line of Walnut Grove Road a distance of 463.59 feet to a point of tangency therein; thence continuing easterly along the south line of Walnut Grove Road, same being along a curve to the left having a radius of 836.36 feet, a distance of 114.00 feet to an iron pipe corner in the west line of the Herbert Humphreys property as described in Warranty Deed of record in Book 1951, Page 653; thence southeasterly and westwardly along the common boundary line between the Farris and Humphreys properties in the following manner; south 6 degrees, 45 minutes east, 73.70 feet to an iron pipe corner; north 38 degrees, 19 minutes, 04 seconds west, 280.00 feet to an iron pipe corner; south 00 degrees, 23 minutes, 10 seconds west, 1047.06 feet to an iron pipe corner; south 36 degrees, 17 minutes, 13 seconds west, 304.30 feet to an iron pipe corner in a ditch; south 1 degree, 19 minutes west, 203.53 feet to an iron pipe corner; south 82 degrees, 45 minutes west, 159.74 feet to an iron pipe corner; south 00 degrees, 52 minutes, 25 seconds west, 335.00 feet to an iron pipe corner, same being the northeast corner of Lot No. 44 in Section "A", Briarwood Subdivision; thence departing from the Humphreys property and going West along the north line of Briarwood Subdivision 196.02 feet to a "crows foot" chisel in the back of the concrete sidewalk in the east line of Briarview Street, thence north along the east line of Briarview Street 233.09 feet to a point of curve therein; thence northwardly along the east line of Briarview Street same being along a curve to the right having a radius of 371.03 feet, a distance of 181.14 feet to a point of tangency; thence north 28 degrees, 00 minutes east, along the east line of Briarview Street 377.96 feet to a point of curve therein; thence northwardly along a curve to the left having a radius of 431.06 feet, a distance of 110.66 feet to a point of tangency; thence north along the east line of Briarview Street 616.21 feet to the point of beginning.

PARCEL II: Lot 127, Section "B", Briarwood Subdivision, as shown in Plat Book 26, Page 36, in the Register's Office of Shelby County, Tennessee, to which reference is hereby made for a more particular description.

It is the intention of the party of the first part to convey to the party of the second part all of the real property conveyed to the party of the first part by Deeds of Mary Delagach, Trustee of record in the Register's Office of Shelby County, Tennessee, under Register's Nos. 15 4198, 26 4200 and 71 2616.

The party of the first part executes this instrument and makes the covenants and warranties hereof solely in his capacity as Trustee and not further or otherwise.

TO HAVE AND TO HOLD the aforesaid real estate together with all the appurtenances and hereditaments thereto belonging or in any wise appertaining unto the said party of the second part, its successors and assigns in fee simple forever.

White Out
~~EXHIBIT B (CONT.)~~

The said party of the first part does hereby covenant with the said party of the second part that he is lawfully seized in fee of the aforesaid real estate; that he has good right to sell and convey the same; that the same is unencumbered, except for the lien of 1974 City and County Taxes, the lien of the Dead End Trust of record under Register's No. 86 4199; restrictions, building lines and easements of record in Plat Book 24, Page 56 to the extent the same may be applicable to any of the real property conveyed hereby and easements of record in Book 4737, Page 30, Book 5470, Page 165 and Book 4536, Page 115; and that the title and quiet possession thereof he will warrant and forever defend against the lawful claims of all persons.

WITNESS the signature of the party of the first part the day and year first above written.

William W. Farris, Trustee
 WILLIAM W. FARRIS, Trustee

STATE OF TENNESSEE
 COUNTY OF SEYMOUR

Before me, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared WILLIAM W. FARRIS, Trustee, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal at office this 6th day of June, 1974.



William W. Farris
 Notary Public

My Commission Expires: Oct. 12, 1974

I, or we, hereby swear or affirm that, to the best of affiant's knowledge, information, and belief, the actual consideration for this transfer or value of the property transferred, whichever is greater, is \$ 460,000.00 which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

Subscribed and sworn to before me this 7th day of June, 1974.

John C. Green
 Notary Public

My Commission Expires: 10-3-77

Property Address: Unimproved

Mail tax bills to: (Person or Agency responsible for payment of taxes)
 Lepetit Memorial Hospital
 399 Madison Avenue, Memphis, Tennessee

State Tax	\$1,196.00
Register's Fee	.50
Recording Fee	4.00
Total	\$1,200.50

T. O. No. 156739 - JUL 77.

J66619

STATE TAX 1196.00
 REGISTRY .50
 RECORDING 4.00
 TOTAL 1200.50
 JUN 7 1974

STATE OF TENNESSEE
 COUNTY OF SEYMOUR
 Notary Public

WARRANTY DEED

THIS DEED, made and entered into this 29th day of May, 1974, by and between HERBERT HUMPHREYS and wife, WILDA M. HUMPHREYS, parties of the first part, and BAPTIST MEMORIAL HOSPITAL, a Tennessee Corporation, party of the second part.

WITNESSETH: That for and in consideration of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable considerations, the receipt of all of which is hereby acknowledged, the said party of the first part has bargained and sold and does hereby bargain, sell, convey and confirm unto the said party of the second part the following described real estate, situated and being in the City of Memphis, County of Shelby, State of Tennessee, to-wit:

Part of the Herbert Humphreys's Property Located in Shelby County, Tennessee, being more particularly described by metes and bounds as follows:

Beginning at a point in a steel fence post in the center line of a stream in the east line of Section "A" of the Briarview Subdivision; this point being 172.0 feet southwardly from the northeast corner of Lots #22 and #23 of this said subdivision; thence with the east line of said subdivision, on a bearing of North 0 degrees 52 minutes 26 seconds East, a distance of 187.05 feet to a point in the south and east line of the Farris Property as described in warranty deed #1 2616; thence continuing along the south and east lines of the Farris Property North 82 degrees 45 minutes East, a distance of 119.74 feet to a point; thence North 1 degree 19 minutes East a distance of 205.53 feet to a point; thence North 84 degrees 17 minutes East a distance of 504.50 feet to a point; thence North 0 degrees 23 minutes East, a distance of 1,047.06 feet to a point; thence North 28 degrees 19 minutes East, a distance of 280.0 feet to a point in the west line of the City of Memphis property as described in Warranty Deed #2 5130; thence South 8 degrees 35 minutes East a distance of 20.0 feet to a point in the west line of Sweet-Creek; thence South 13 degrees 13 minutes West along the west line of Sweet-Creek a distance of 140.0 feet to a point, this point being the southwest corner of the City of Memphis property; thence North 83 degrees 10 minutes East along said south line a distance of 390.0 feet to a point to an iron pin, this point being the southeast corner of the City of Memphis Property; thence South 1 degree 15 minutes East, a distance of 1,021.0 feet to an iron pin; thence North 81 degrees 23 minutes West, forming an interior angle of 80 degrees 08 minutes, a distance of 635.0 feet to a steel fence post in the centerline of Sweetbriar Creek; thence southwesterly with said centerline as follows: South 24 degrees 37 minutes West a distance of 150.0 feet to a point; thence South 33 degrees 31 minutes West a distance of 236.18 feet to a point; thence South 34 degrees 35 minutes West a distance of 411.40 feet to a point; thence South 28 degrees 43 minutes West, a distance of 226.60 feet to a steel fence post in the centerline of Sweetbriar Creek and being the point of beginning.

Title to the abovescribed real property is vested in Herbert Humphreys. Wilda M. Humphreys, wife of Herbert Humphreys, joins herein for purposes of conformity and of conveying dower, homestead and other rights in said real property which she may have by virtue of her said marriage, but the said Wilda M. Humphreys does not join in the covenances and warranties of this deed.

TO HAVE AND TO HOLD the abovesaid real estate together with all the appurtenances and hereditaments thereto belonging or in any wise appertaining unto the said party of the second part, its successors and assigns in fee simple forever.

The said Herbert Humphreys, one of the parties of the first part, does hereby covenant with the said party of the second part that he is lawfully seized in fee of the abovescribed real estate; that he has good right to sell and convey the same; that the same is unencumbered, except for the lien of 1974 City and County Taxes, which the party of the first part covenants will be paid prior to their

Part of the former Herbert Humphrey's Property located in Shelby County,
Tennessee being more particularly described as follows:

Beginning at a point in the east line of Briarview Street,
said point being the south end of a curve having a radius
of 30 feet located at the southwest corner of Briarview
Street and the Walnut Grove Road; thence northeasterly on
a curve to the right having a radius of 30 feet a distance
of 79.43 feet to the south line of the Walnut Grove Road;
thence south 88 degrees 08 minutes 00 seconds west with the
south line of the Walnut Grove Road 812.7 feet to point of
curve to the left; thence easterly with the south line of
the Walnut Grove Road and on a curve to the left having a radius
of 316.76 feet a distance of 116.17 feet to the east line of
the City of Memphis Property as described in Instrument 72-5130;
thence south 6 degrees 01 minutes 00 seconds east with the west
line of said City of Memphis Property 77.4 feet; thence south 13
degrees 31 minutes 00 seconds west with the west line of said
City of Memphis Property 140.00 feet to the southwest corner
of said property; thence north 83 degrees 46 minutes 00 seconds
west with the south line of said City of Memphis Property 390.0
feet to the east line of the Baptist Memorial Hospital
Property; as described in Instrument 34-6627; thence south-
westerly with the easterly line of the Baptist Memorial Hospital
Property as described in Instrument 34-6627 the following described
six courses; south 01 degree 21 minutes 00 seconds west 1021.00
feet; thence north 73 degrees 47 minutes 00 seconds west 633.00
feet; thence south 27 degrees 13 minutes 00 seconds west 230.00
feet; thence south 36 degrees 03 minutes 00 seconds west 236.13
feet; thence south 37 degrees 11 minutes 00 seconds west 421.4 feet;
thence south 31 degrees 21 minutes 00 seconds east 271.73 feet to
the east line of Section "A", Briarwood Subdivision as recorded
in Plat Book 23, Page 23; thence north 03 degrees 18 minutes 25
seconds east with the east line of said Section "A", Briarwood
Subdivision 343.24 feet; thence north 87 degrees 28 minutes 00 seconds
west with the north line of said Section "A", Briarwood Subdivision
396.02 feet to the east line of Briarview Street; thence northeasterly
with the east line of Briarview Street the following described five
courses; north 02 degrees 34 minutes 00 seconds east 333.07 feet to
point of curve to the right; thence northeasterly on a curve to the
right having a radius of 371.08 feet a distance of 161.34 feet to
point of tangent; thence north 30 degrees 34 minutes 00 seconds east
377.33 feet to point of curve to the left; thence northeasterly on a
curve to the left having a radius of 431.08 feet a distance of 210.67
feet to point of tangent; thence north 02 degrees 36 minutes 00 seconds
east 365.69 feet to the point of beginning.


THIS INSTRUMENT PREPARED BY:
HARRIS, SHELTON, DUNLAP & COBB
SUITE 1300 ONE COMMERCIAL SQUARE
MEMPHIS, TENNESSEE 38102-2115

-ENLIST-14B (Continued)

JG 6623

delinquent date, and except for encumbrances of record in the Register's Office of Shelby County, Tennessee in Book 1673, Page 428, Book 4352, Page 157, Book 4336, Page 113, and Book 5373, Page 213 and under Register's No. 77 4277; and that the title and quiet possession thereof be well warrant and forever defend against the lawful claims of all persons.

WITNESS the signature of the parties of the first part the day and year first above written.


Herbert Humphreys



Wilda M. Humphreys

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared HERBERT HUMPHREYS to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal at office this 29th day of May, 1974.




Notary Public

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared WILDA M. HUMPHREYS to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal at office this 3rd day of June, 1974.




Notary Public

Plot Plan

Section B, III, A (1)

50 Acres

PROJECT AREA

HOSPITAL
PROPERTY LINE

BAPTIST MEMORIAL HOSPITAL - MEMPHIS



ESa
Engineering & Survey Associates, Inc.
1000 South Main Street, Suite 100
Memphis, Tennessee 38103
(901) 521-1000
Fax: (901) 521-1001
www.esa-engineers.com
In design of this project, the engineer has not performed a site inspection or investigation of the site conditions. The engineer is not responsible for the accuracy of the information provided by the owner or other sources. The engineer is not responsible for the accuracy of the information provided by the owner or other sources. The engineer is not responsible for the accuracy of the information provided by the owner or other sources.

SCHEMATIC DESIGN

PRELIMINARY
NOT FOR CONSTRUCTION

BMHM CATH LAB MASTERPLAN

ESa

REVISION	DATE	BY	CHKD

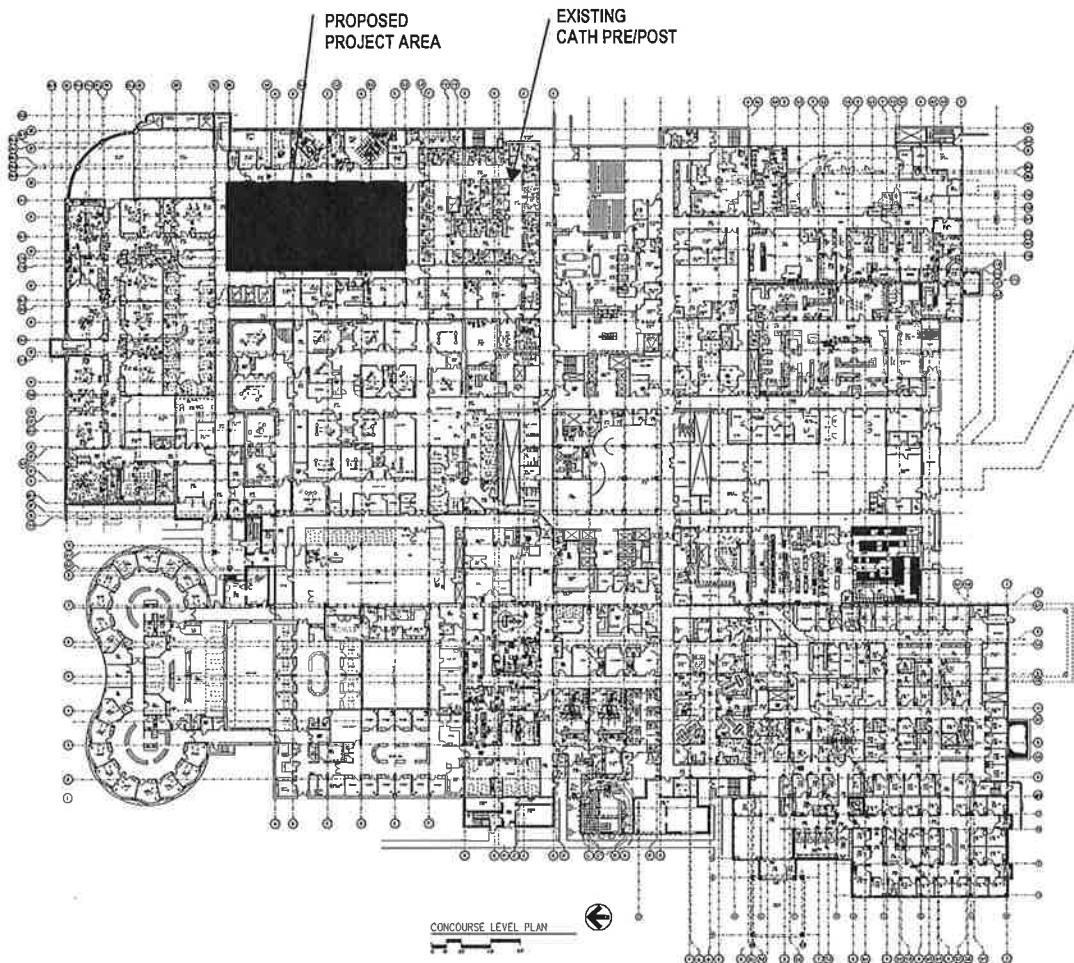
SITE PLAN

C1.00

MEMPHIS PG 31

Floor Plan

Section B, IV



ESa
 Eastman-Saunders Associates, Inc.
 400 West 12th Street
 Suite 1000
 Minneapolis, MN 55402
 Tel: 612.338.1000
 Fax: 612.338.1001
 www.esa.com

SCHEMATIC DESIGN
 PRELIMINARY
 NOT FOR CONSTRUCTION

BMHM CATH LAB MASTER PLAN

Enter address here

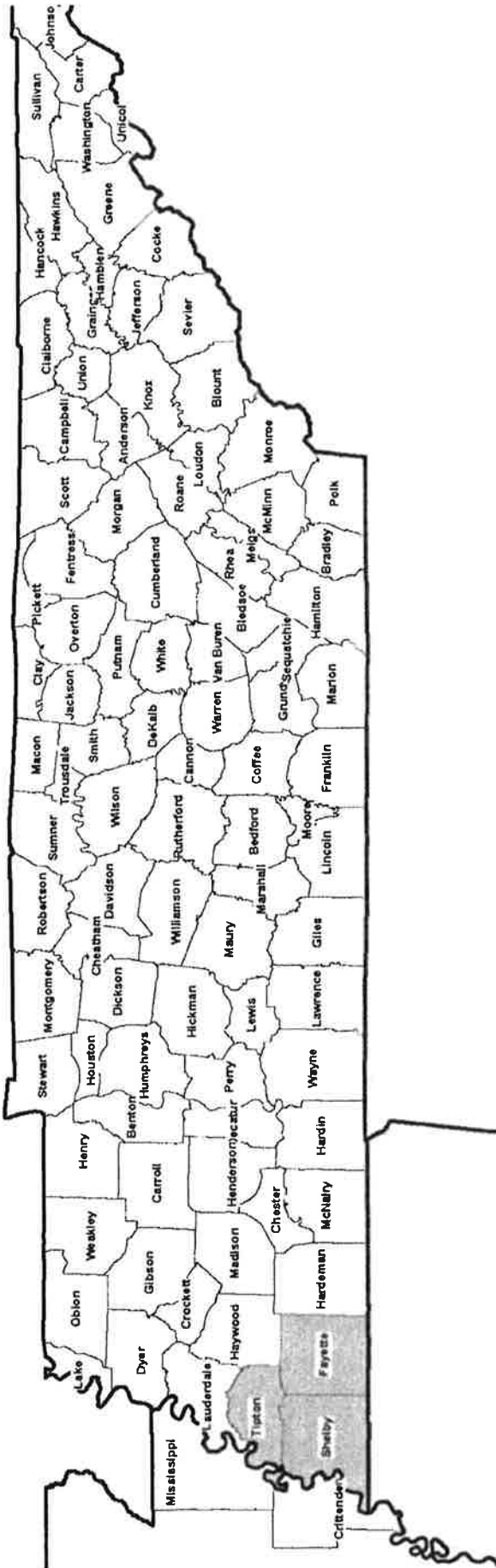
NO.	DATE	DESCRIPTION
1	12/15/2004	Initial Design
2	12/15/2004	Final Design
3	12/15/2004	Final Design
4	12/15/2004	Final Design
5	12/15/2004	Final Design
6	12/15/2004	Final Design
7	12/15/2004	Final Design
8	12/15/2004	Final Design
9	12/15/2004	Final Design
10	12/15/2004	Final Design

SITE PLAN

A1.00

Service Area Map

Section C, 3



Architect Letter

Economic Feasibility 1



Moving forward together to create environments that shape lives.

December 14, 2015

Ms. Melanie Hill, Executive Director
Health Services and Development Agency
502 Deaderick Street, Andrew Jackson Bldg., 9th Floor
Nashville, TN 37243

**RE: CATH LAB RENOVATIONS
BAPTIST MEMORIAL HOSPITAL - MEMPHIS
MEMPHIS, TN**

Dear Ms. Hill:

This letter will denote that ESa has reviewed the construction costs indicated for the referenced project and find the costs to be reasonable for the described scope of work. The construction costs have considered recent market conditions and inflation projections. In general, Cath Labs, renovated or new, are one of the more moderate portions of healthcare facilities with respect to cost. These costs also include HVAC upgrades servicing the entire department.

Sincerely,

EARL SWENSSON ASSOCIATES, INC.

Wm. Craig Holloway, AIA, EDAC
Sr. Project Manager

cc: Harold Petty



December 14, 2015

Ms. Melanie Hill, Executive Director
Health Services and Development Agency
502 Deaderick Street, Andrew Jackson Bldg., 9th Floor
Nashville, TN 37243

**RE: CATH LAB RENOVATIONS
BAPTIST MEMORIAL HOSPITAL - MEMPHIS
MEMPHIS, TN**

Dear Ms. Hill:

This letter will affirm that to the best of our knowledge the design intended for the construction of the referenced facility will be in accordance with the following primary codes and standards. This listing may not be entirely inclusive but the intent is for all applicable codes and standards, State or Local, to be addressed during the design process.

- FGI Guidelines for the Design and Construction of Healthcare Facilities
- International Building Code (Current edition enforced at the time of plan submission)
- International Mechanical Code
- International Plumbing Code
- International Gas Code
- NFPA Life Safety Code
- Rules of Tennessee Department of Health and Environment Board for Licensing Healthcare Facilities
- Americans with Disabilities Act
- North Carolina Handicap Code

Sincerely,

EARL SWENSSON ASSOCIATES, INC.

Wm. Craig Holloway, AIA, EDAC
Sr. Project Manager

cc: Harold Petty

Chief Financial Officer Letter

Economic Feasibility 2(E)

BAPTIST MEMORIAL HEALTH CARE CORPORATION

December 14, 2015

Melanie Hill, Executive Director
Tennessee Health Services & Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Baptist Memorial Hospital
Renovation of the Cardiac Catheterization Lab

Dear Ms. Hill:

As the Chief Financial Officer of Baptist Memorial Health Care Corporation (BMHCC), I have reviewed the financial statements and requirements in the certificate of need application for the renovation of the cardiac catheterization lab at an anticipated cost of approximately \$6,109,654.

Financial statements have been provided for Baptist Memorial Hospital – Memphis. Funds to complete the project as described are available through the hospital and BMHCC affiliated entities.

Please contact me if you need additional information.

Sincerely,



Donald R. Pounds
Chief Financial Officer, BMHCC

Balance Sheet and Income Statements

Economic Feasibility, 10

BAPTIST MEMORIAL HOSPITAL-MEMPHIS
BALANCE SHEET
12 MONTHS ENDED SEPTEMBER 30
Unaudited

	2014	2013	2012
CURRENT ASSETS:			
Cash and cash equivalents	27,543,464	83,074,379	150,452,737
Patient accounts receivable	185,799,147	142,569,600	139,902,642
Allowances to accounts receivable	(102,580,548)	(69,790,211)	(63,726,115)
Patient accounts receivable, net	83,218,599	72,779,389	76,176,527
Other Receivables	17,130,785	16,840,706	15,953,937
Third party settlements	919,649	5,990,258	6,775,083
Inventory	14,667,642	14,156,182	14,516,369
Prepaid expenses	4,282,282	3,636,924	3,322,573
Total current assets	147,762,420	196,477,837	267,197,227
INVESTMENTS	319,152	662,946	515,119
PROPERTY AND EQUIPMENT, net	169,613,103	180,461,522	186,635,717
OTHER ASSETS	70,109,830	96,129,959	101,294,110
TOTAL ASSETS	387,804,504	473,732,264	555,642,173
CURRENT LIABILITIES:			
Current portion-long-term debt & CLO	17,525,000	17,170,000	16,100,000
Accounts payable	7,732,485	6,400,993	7,814,185
Due to affiliates	11,695,243	9,519,433	68,282,472
Third party settlements	4,838,068	2,787,074	4,410,831
Accrued payroll expenses	14,798,517	14,754,171	14,900,924
Accrued other expenses	9,269,110	13,179,081	13,618,117
Total current liabilities	65,858,422	63,810,753	125,126,529
LONG-TERM DEBT and CLO	108,041,040	127,888,606	150,703,612
DUE TO AFFILIATES	0	0	0
FUND BALANCE (DEFICIT)	213,905,042	282,032,906	279,812,033
TOTAL LIABILITIES & FUND BALANCE	387,804,504	473,732,264	555,642,173

BAPTIST MEMORIAL HOSPITAL-MEMPHIS
STATEMENT OF REVENUES AND EXPENSES
12 MONTHS ENDED SEPTEMBER 30
Unaudited

	2014	2013	2012
UNRESTRICTED REVENUES AND OTHER SUPPORT:			
Gross patient revenues	2,010,403,438	1,960,511,459	1,780,710,121
Deductions to gross patient revenues	(1,479,321,721)	(1,409,889,772)	(1,215,306,625)
Provision for bad debts	(73,607,837)	(63,313,739)	(57,084,980)
Other revenue	16,698,984	16,994,124	16,024,049
Total unrestricted revenues and other support	474,172,864	504,302,070	524,342,565
EXPENSES:			
Salaries	150,839,169	158,738,895	161,531,017
Contract labor	4,307,899	61,610	1,185,403
Benefits	41,783,302	42,594,159	46,574,633
Medical supplies	123,610,528	127,185,728	126,302,706
Nonmedical supplies	7,565,623	9,143,248	9,261,962
Purchased services	11,104,823	12,203,028	14,696,553
Insurance	255,733	(1,831,936)	3,611,030
Repairs and maintenance	10,332,941	10,536,853	9,128,336
Utilities	5,726,739	5,792,233	5,955,675
Other expenses	22,375,577	24,570,994	28,736,080
Loss on Asset Impairment	10,275,321	0	0
Management fees	77,132,582	59,039,856	52,278,908
Professional fees	26,355,046	24,106,987	23,624,629
Depreciation and amortization	23,276,262	23,237,042	24,031,334
Interest	650,954	764,197	849,088
Total Expenses	515,592,499	496,142,896	507,767,354
NONOPERATING INCOME(EXPENSE):			
	7,121,399	9,193,074	7,395,042
REVENUES IN EXCESS OF EXPENSES			
	(34,298,237)	17,352,249	23,970,253



Deloitte & Touche LLP
100 Peabody Place
Suite 800
Memphis, TN 38103-0830
USA

Tel: +1 901 322 6700
Fax: +1 901 322 6799
www.deloitte.com

March 4, 2015

The Board of Directors
Baptist Memorial Health Care Corporation Affiliates
350 North Humphreys Boulevard
Memphis, TN 38120

We have performed an audit of the combined financial statements of Baptist Memorial Health Care Corporation and affiliates (the "Company") as of and for the year ended September 30, 2014, in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and have issued our report thereon dated January 20, 2015.

We also performed separate audits for Baptist Memorial Health Care Foundation and Baptist Memorial Hospital—Union County, Inc. as of and for the year ended September 30, 2014, in accordance with generally accepted auditing standards and have issued our reports thereon dated January 20, 2015 and February 27, 2015, respectively.

We are not aware of any relationships between the Deloitte Entities and the Company that under the rules and standards of the American Institute of Certified Public Accountants (AICPA) may reasonably be thought to bear on our independence. Deloitte Entities shall mean Deloitte & Touche LLP and the member firms of Deloitte Touche Tohmatsu Limited and their respective affiliates.

We hereby affirm that as of March 4, 2015, we are independent accountants with respect to the Company, within the meaning of the rules and standards of the AICPA.

We have not audited any financial statements of Baptist Memorial Health Care Corporation and its affiliates subsequent to September 30, 2014, or performed any audit procedures subsequent to the dates of our reports.

Deloitte & Touche LLP

License/Joint Commission

Orderly Development 7 (c)

Board for Licensing Health Care Facilities



State of Tennessee

DEPARTMENT OF HEALTH

0000000104

No. of Beds 0927

This is to certify, that a license is hereby granted by the State Department of Health to

to conduct and maintain a

BAPTIST MEMORIAL HOSPITAL

Hospital

BAPTIST MEMORIAL HOSPITAL

Located at

8018 WALNUT GROVE ROAD, MEMPHIS

County of

SHELBY

Tennessee.

This license shall expire

SEPTEMBER 01

2016

, and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State this 22ND day of JULY, 2015.

In the Distinct Category(ies) of:

GENERAL HOSPITAL
PEDIATRIC GENERAL HOSPITAL



By

James T. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By

M. J. Dyer

COMMISSIONER



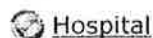
Accreditation Quality Report

- > Summary of Accreditation Quality Information
- > Accredited Programs
- > Accreditation National Patient Safety Goals
- > Sites and Services
- > Accreditation History
- > Download Accreditation PDF Report
- > Download Accreditation PDF Report - Include Quarterly Data
- > Accreditation Quality Report User Guide
- > Organization's Commentary

Quality Report

Summary of Quality Information

Accreditation Programs



Hospital

Accreditation Decision

Accredited

Effective Date

6/7/2014

Last Full Survey Date

6/6/2014

Last On-Site Survey Date

6/6/2014

Accreditation programs recognized by the Centers for Medicare and Medicaid Services (CMS)
Hospital

Advanced Certification Programs



Primary Stroke Center

Certification Decision

Certification

Effective Date

9/6/2013

Last Full Review Date

10/26/2015

Last On-Site Review Date

10/26/2015



Ventricular Assist Device

Certification

6/3/2015

6/2/2015

6/2/2015

Certification programs recognized by the Centers for Medicare and Medicaid Services (CMS)
Ventricular Assist Device

Other Accredited Programs / Services

Hospital - Accredited by American College of Surgeons-Commission on Cancer (ACoS-COC)

Certification Quality Report

- > View Certification Quality Report

Special Quality Awards

- 2014 Top Performer on Key Quality Measures®
- 2012 Top Performer on Key Quality Measures®
- 2015 ACS National Surgical Quality Improvement Program
- 2015 Metabolic and Bariatric Surgery Accreditation and Quality Improvement Program
- 2010 Silver - The Medal of Honor for Organ Donation

- Top -

Symbol Key

- This organization achieved the best possible results
- This organization's performance is above the target range/value.
- This organization's performance is similar to the target range/value.
- This organization's performance is below the target range/value.

Hospital

2014 National Patient Safety Goals

National Quality Improvement Goals:

Reporting Period:
Apr 2014 -

Comparing this hospital's performance to:

Nationwide

Statewide





2

2

Attachments Pg 48

performance is below the target range/value.

 This measure is not applicable for this organization.

 Not displayed

Footnote Key

1. The measure or measure set was not reported.
2. The measure set does not have an overall result.
3. The number is not enough for comparison purposes.
4. The measure meets the Privacy Disclosure Threshold rule.
5. The organization scored above 90% but was below most other organizations.
6. The measure results are not statistically valid.
7. The measure results are based on a sample of patients.
8. The number of months with measure data is below the reporting requirement.
9. The measure results are temporarily suppressed pending resubmission of updated data.
10. Test Measure: a measure being evaluated for reliability of the individual data elements or awaiting National Quality Forum Endorsement.
11. There were no eligible patients that met the denominator criteria.

Children's Asthma Care

[See Detail](#)

N/D

N/D

Immunization

[See Detail](#)N/D²N/D²

Perinatal Care

[See Detail](#)

+

+

Stroke Care

[See Detail](#)N/D⁸N/D⁸Venous Thromboembolism (VTE) [See Detail](#)N/D⁸N/D⁸

The Joint Commission only reports measures endorsed by the [National Quality Forum](#).

* State results are not calculated for the National Patient Safety Goals.

- Top -

Sites and Services

* Primary Location

An organization may provide services not listed here. For more information refer to the [Quality Report User Guide](#).

Locations of Care

Baptist Memorial Hospital *
DBA: Baptist Memorial Hospital
- Memphis Campus
6019 Walnut Grove Road
Memphis, TN 38120

Available Services

Joint Commission Advanced Certification Programs:

- Primary Stroke Center
- Ventricular Assist Device

Services:

- Brachytherapy (Imaging/Diagnostic Services)
- Cardiac Catheterization Lab (Surgical Services)
- Cardiac Surgery (Surgical Services)
- Cardiothoracic Surgery (Surgical Services)
- Cardiovascular Unit (Inpatient)
- Coronary Care Unit (Inpatient)
- CT Scanner (Imaging/Diagnostic Services)
- Dialysis Unit (Inpatient)
- Ear/Nose/Throat Surgery (Surgical Services)
- EEG/EKG/EMG Lab (Imaging/Diagnostic Services)
- Gastroenterology (Surgical Services)
- GI or Endoscopy Lab (Imaging/Diagnostic Services)
- Gynecological Surgery (Surgical Services)
- Hematology/Oncology Unit (Inpatient)
- Inpatient Unit (Inpatient)
- Interventional Radiology (Imaging/Diagnostic Services)
- Magnetic Resonance Imaging (Imaging/Diagnostic Services)
- Medical /Surgical Unit (Inpatient)
- Medical ICU (Intensive Care Unit)
- Neuro/Spine ICU (Intensive Care Unit)
- Neuro/Spine Unit (Inpatient)
- Neurosurgery (Surgical Services)
- Nuclear Medicine (Imaging/Diagnostic Services)
- Ophthalmology (Surgical Services)
- Orthopedic Surgery (Surgical Services)
- Orthopedic/Spine Unit (Inpatient)
- Outpatient Clinics (Outpatient)
- Plastic Surgery (Surgical Services)
- Positron Emission Tomography (PET) (Imaging/Diagnostic Services)
- Post Anesthesia Care Unit (PACU) (Inpatient)
- Radiation Oncology (Imaging/Diagnostic Services)
- Surgical ICU (Intensive Care Unit)
- Surgical Unit (Inpatient)
- Thoracic Surgery (Surgical Services)
- Transplant Surgery (Surgical Services)
- Ultrasound (Imaging/Diagnostic Services)
- Urology (Surgical Services)
- Vascular Surgery (Surgical Services)

Baptist Memorial Hospital

DBA: Baptist Memorial Hospital
- Collierville Campus

Services:

- CT Scanner

- Medical ICU (Intensive Care Attachments Pg 49)

1500 West Poplar
Collierville, TN 38017

Quality Report

- | | |
|--|---|
| <ul style="list-style-type: none"> • Imaging/Diagnostic Services • Ear/Nose/Throat Surgery (Surgical Services) • EEG/EKG/EMG Lab (Imaging/Diagnostic Services) • Gastroenterology (Surgical Services) • GI or Endoscopy Lab (Imaging/Diagnostic Services) • Gynecological Surgery (Surgical Services) • Inpatient Unit (Inpatient) • Interventional Radiology (Outpatient) • Magnetic Resonance Imaging (Imaging/Diagnostic Services) • Medical /Surgical Unit (Inpatient) | <ul style="list-style-type: none"> • Unit) • Nuclear Medicine (Imaging/Diagnostic Services) • Ophthalmology (Surgical Services) • Orthopedic Surgery (Surgical Services) • Plastic Surgery (Surgical Services) • Sleep Laboratory (Sleep Laboratory) • Surgical ICU (Intensive Care Unit) • Thoracic Surgery (Surgical Services) • Ultrasound (Imaging/Diagnostic Services) • Urology (Surgical Services) |
|--|---|

Baptist Memorial Hospital
DBA: Baptist Memorial Hospital
- Women's Campus
6225 Humphreys Blvd.
Memphis, TN 38120

Services:

- | | |
|--|--|
| <ul style="list-style-type: none"> • CT Scanner (Imaging/Diagnostic Services) • Ear/Nose/Throat Surgery (Surgical Services) • EEG/EKG/EMG Lab (Imaging/Diagnostic Services) • Gynecological Surgery (Surgical Services) • Gynecology (Inpatient) • Inpatient Unit (Inpatient) • Labor & Delivery (Inpatient) • Magnetic Resonance Imaging (Imaging/Diagnostic Services) • Medical ICU (Intensive Care Unit) | <ul style="list-style-type: none"> • Normal Newborn Nursery (Inpatient) • Orthopedic Surgery (Surgical Services) • Outpatient Clinics (Outpatient) • Pediatric Unit (Inpatient) • Post Anesthesia Care Unit (PACU) (Inpatient) • Surgical ICU (Intensive Care Unit) • Ultrasound (Imaging/Diagnostic Services) • Urology (Surgical Services) |
|--|--|

Baptist Rehab
440 Powell Road
Collierville, TN 38017

Services:

- Outpatient Clinics (Outpatient)

Baptist Women's Health Center
50 Humphreys Boulevard, Suite 23
Memphis, TN 38120

Services:

- Outpatient Clinics (Outpatient)

GI Specialists
DBA: GI Specialists
80 Humphreys Center Dr. #200
Memphis, TN 38120

Other Clinics/Practices located at this site:

- None

Services:

- Administration of High Risk Medications (Outpatient)
- Anesthesia (Outpatient)
- Perform Invasive Procedure (Outpatient)
- Single Specialty Practitioner (Outpatient)

Stern Cardiovascular Clinic
Outpatient Diagnostics
8060 Wolf River Boulevard
Germantown, TN 38138

Services:

- Administration of High Risk Medications (Outpatient)
- Outpatient Clinics (Outpatient)

- Top -

The Joint Commission obtains information about accredited/certified organizations not only through direct observations by its employees [...Read more.](#)

State Survey/Inspection

Orderly Development 7 (d)



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
781-B AIRWAYS BOULEVARD
JACKSON, TENNESSEE 38301-3203

Rec 10/29/07
Resp. 11/4/07

October 25, 2007

Mr. Jason Little, Administrator
Baptist Memorial Hospital
6019 Walnut Grove Road
Memphis, TN 38120

Dear Mr. Little:

Enclosed is the Statement of Deficiencies, which was developed as a result of the full survey after a complaint, completed at your facility on October 18, 2007.

You are requested to submit a **Credible Allegation of Compliance** within ten (10) days after date of this letter with acceptable time frames for correction of the cited deficiencies. Corrective action must be achieved no later than forty-five (45) days from the date of the survey. Please notify this office when these deficiencies are corrected. A revisit must be conducted prior to the forty-fifth (45th) day to verify compliance. Once corrective action is confirmed, a favorable recommendation for re-certification will be considered.

The following Conditions of Participation have been found to be out of compliance:

A385	482.23	Nursing Services
------	--------	------------------

Also, the following eight (8) standard level deficiencies cited for noncompliance: A166, A168, A175, A395, A396, A459, A468, and A630.

Based on noncompliance with the aforementioned Conditions of Participation, this office is recommending to the CMS Regional Office and/or State Medicaid Agency that your provider agreement be terminated effective January 18, 2008, which is ninety (90) days from the date of the survey. Please be advised that under the disclosure of survey information provisions, the Statement of Deficiencies will be available to the public.

Your plan of correction must contain the following:

- How the deficiency will be corrected;
- How the facility will prevent the same deficiency from recurring.
- The date the deficiency will be corrected;
- How ongoing compliance will be monitored.

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PAGE 01

NSG ADMIN

11/14/2007 16:13 9812265806

If there are any delays in completing your Plan of Correction, please notify this office in writing. Before the plan can be considered "acceptable," it must be signed and dated by the administrator.

Should you have questions or if there is any way this office may be of assistance, please do not hesitate to call 731-421-5113.

Sincerely,



Celia Skelley, MSN, RN
Public Health Nurse Consultant 2

CS/TW

Enclosure

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED 12/22/2004
♦ FORM APPROVED
OMB NO 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER 440048	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED C 8/21/07
---	--	--	---

NAME OF PROVIDER OR SUPPLIER BAPTIST MEMORIAL HOSPITAL	STREET ADDRESS, CITY, STATE, ZIP CODE 6019 WALNUT GROVE ROAD MEMPHIS, TN 38120
---	--

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
A 043	<p>482.12 GOVERNING BODY</p> <p>The hospital must have an effective governing body legally responsible for the conduct of the hospital as an institution. If a hospital does not have an organized governing body, the persons legally responsible for the conduct of the hospital must carry out the functions specified in this part that pertain to the governing body.</p> <p>This CONDITION is not met as evidenced by: Based on review of standards of practice, manufacturer's guidelines, governing body meeting minutes, medical record review and interview, it was determined the governing body failed to assume responsibility for the conduct of all hospital personnel and ensure each patient received the highest quality of care consistent with acceptable standards of practice in order to prevent patient injury.</p> <p>The findings included:</p> <p>1. The governing body failed to ensure the hospital provided surgical services in accordance with acceptable standards of practice. Refer to A049</p>	A 043	<p>The BMH CEO immediately notified the BMH Memphis market leader (senior management) of the Immediate Jeopardy citation.</p> <p>The Baptist Memorial Hospital-Memphis Nursing Officer, with the support of the Director of Performance Improvement will have overall responsibility for ensuring the plan of correction.</p>	<p>8/22/07</p> <p>Ongoing</p>
		AO43 482.12	<p>1. The Governing Body Bylaws Article 3I states: "The Board is responsible for maintaining and evaluating the quality of patient care and safety through the various medical staff and administrative mechanisms including identifying and resolving problems and opportunities for improving patient care and safety." Article 7D states: "The Board shall request and review reports regarding the quality of patient care services." The CEO will present monthly reports to the governing body that will update on: core competency evaluation of anesthesia staff; evidence of mandatory training completion for anesthesia, surgeons, surgical allied</p>	<p>Ongoing</p> <p>Ongoing Monthly</p>

LABORATORY DIRECTORS OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE	TITLE	DATE
--	-------	------

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 440048	(X2) MULTIPLE CONSTRUCTION A. BUILDING BAPTIST MEMORIAL HOSPITAL B. WING		(X3) DATE SURVEY COMPLETED C 8/21/07
NAME OF PROVIDER OR SUPPLIER BAPTIST MEMORIAL HOSPITAL			STREET ADDRESS, CITY, STATE, ZIP CODE 6019 Walnut Grove Road Memphis, TN 38120		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS- REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
			health professionals, and hospital personnel who assist with invasive procedures.		

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 440048	(X2) MULTIPLE CONSTRUCTION A. BUILDING BAPTIST MEMORIAL HOSPITAL B. WING	(X3) DATE SURVEY COMPLETED C 8/21/07
NAME OF PROVIDER OR SUPPLIER BAPTIST MEMORIAL HOSPITAL			STREET ADDRESS, CITY, STATE, ZIP CODE 6019 Walnut Grove Road Memphis, TN 38120	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS- REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
		A043 482.12	Performance Improvement Initially a 90-day focused review via direct observation on 30% of cases will be performed by OR staff. Following focused review, required elements will be monitored monthly and reported quarterly through Operative Invasive Committee and Performance Improvement Committee. These committee reports will be reported quarterly by the CEO to the governing board. The CEO will also in his monthly written report to the board provide any updates to the quality monitors. Policies and procedures (attachments D – K, L and M) have been amended in accordance with AORN, ACOS, ASA and CDC recommendations. These changes to policy and practice will be reported to the board in the monthly board report on September 20, 2007	To begin 9/4/07 9/20/07
	2. The governing body failed to ensure surgeons and anesthesiologists were accountable to the governing body and received the appropriate training to prevent patient injuries. Refer to A 0940 and A 1000	A043	Anesthesia Education Mandatory education for all anesthesia personnel on fire safety and anesthesia responsibility for the safety and security of patients in the operative setting has been completed. Anesthesia personnel will not be allowed to work without documented evidence of training. Compliance of education will be reported to the governing board on September 20, 2007. Contract Amendment The current anesthesia contract states the anesthesia group will "use currently accepted methods and practice of medicine, adhere to applicable standards of care, medical ethics, policies and anesthesia protocols and comply with the requirement and standard of Medicare, JCAHO and any other accrediting agencies designated by the hospital, as well as all applicable laws, rules and regulations." The board has approved the current contract. An executed amendment to the current anesthesia contract will be approved at the next board meeting in October 2007, which requires annual fire safety training for all anesthesia providers (attachment AF)	Completed 9/6/07 100% Staff Educated Completed 9/20/07 Completed 9/6/07 Final Approval 10/2007
		A043	Surgeon Education Surgeons credentialed at Baptist Memorial Hospital received education related to OR fire safety, patient rights and safe use of alcohol	

88

112



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

CONSENT CALENDAR

January 1, 2016

Arthur Maples
Baptist Memorial Health Care Corporation
350 N. Humphreys Boulevard
Memphis, TN 38120

RE: Certificate of Need Application for Baptist Memorial Hospital -- CN1512-066
For the renovation and equipment upgrade of the cardiovascular catheterization lab area on the current hospital campus located at 6019 Walnut Grove Road, Memphis (Shelby County), TN 38120. The estimated project cost is \$6,109,654.

Dear Mr. Maples:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 30-day review cycle for **CONSENT CALENDAR** for this project will begin on May 1, 2015. The first thirty (30) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the thirty (30)-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on February 24, 2016.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (2) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (3) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243


www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: 
Melanie M. Hill
Executive Director

DATE: January 1, 2016

RE: Certificate of Need Application
Baptist Memorial Hospital -- CN1512-066

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a **CONSENT CALENDAR** thirty (30) day review period to begin on January 1, 2016 and end on February 1, 2016.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Arthur Maples

BUTLER | SNOW

December 10, 2015

VIA HAND DELIVERY

Melanie M. Hill
Executive Director
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Baptist Memorial Hospital – Certificate of Need Application for Renovation of
Cardiac Catheterization Lab

Dear Ms. Hill:

Enclosed, in triplicate, is the Letter of Intent for the project referenced above. The enclosed Letter of Intent replaces the Letter of Intent delivered today by overnight courier service.

Thank you for your attention to the enclosed.

Very truly yours,

BUTLER SNOW LLP



Dan H. Elrod

clw
Enclosures
cc: Arthur Maples

*The Pinnacle at Symphony Place
150 3rd Avenue South, Suite 1600
Nashville, TN 37201*

28936805v1

DAN H. ELROD
615.651.6702
dan.elrod@butlersnow.com

T 615.651.6700
F 615.651.6701
www.butlersnow.com

BUTLER SNOW LLP



LETTER OF INTENT

TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Commercial Appeal which is a newspaper
(Name of Newspaper)
of general circulation in Shelby and other counties in, Tennessee, on or before December 10, 2015,
(County) (Month / day) (Year)
for one day.

=====

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that: Baptist Memorial Hospital, a Corporation owned by itself, intends to file an application for a Certificate of Need for the renovation and equipment upgrade of the cardiovascular catheterization lab area operated by Baptist Memorial Hospital at 6019 Walnut Grove Road, Memphis, Shelby County, Tennessee 38120. This project does not involve additional inpatient beds, major medical services or initiation of new services for which a certificate of need is required. The total project cost for purposes of the certificate of need application is estimated at \$6,109,654.

The anticipated date of filing the application is: December 15, 2015

The contact person for this project is Arthur Maples Director Regulatory Planning & Policy
(Contact Name) (Title)

who may be reached at: Baptist Memorial Health Care Corporation 350 N Humphreys Blvd
(Company Name) (Address)

Memphis TN 38120 901 / 227-4137
(City) (State) (Zip Code) (Area Code / Phone Number)

Arthur Maples 12/9/2015 arthur.maples@bmhcc.org
(Signature) (Date) (E-mail Address)

=====

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address: **Health Services and Development Agency**

**Andrew Jackson Building
502 Deaderick Street, 9th Floor
Nashville, Tennessee 37243**

=====

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Supplemental #1 -COPY-

Baptist Memorial Hospital

CN1512-066

December 23, 2015

11:46 am

December 21, 2015

Phillip Earhart, HSD Examiner
Health Services and Development Agency
Andrew Jackson Building
502 Deaderick Street, 9th floor
Nashville, TN 37243

RE: Certificate of Need Application CN1512-066
Baptist Memorial Hospital
Renovation of the Cardiac Catheterization Lab

Dear Mr. Earhart

Enclosed are the responses to the need for clarification or additional discussion on items in the CON application referenced above.

Please contact me if you need additional information. Thank you for your attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Arthur Maples".

Arthur Maples
Dir. Regulatory Planning & Policy

Enclosure

SUPPLEMENTAL RESPONSES

**RENOVATION OF THE CARDIAC
CATHETERIZATION LAB**

BAPTIST MEMORIAL HOSPITAL

CN1512-066

1. Consent Calendar

The applicant has requested Consent Calendar review. Please discuss why the proposed project should be placed on consent in relation to need, economic feasibility, and contribution to the orderly development of health care.

Response:

To be on the consent calendar, the project must meet all the CON criteria and be un-opposed. The applicant demonstrates that the project meets the criteria and is not aware that the noncontroversial activity to improve patient care would have any opposition.

Need

The cardiac catheterization (cath) service at BMH-Memphis has been in operation for decades in alignment with state and local health plans. It continues to be essential in the established service area as well as supporting referrals from regional hospitals within the Baptist system. New technology including drug-eluting stents and expanded peripheral vascular services that involve more than cardiac procedures have changed utilization. The most recent renovation to the area was designed and built more than 15 years ago. The cath labs are currently located on opposite sides of a single uncontrolled corridor. The building standards that have changed over the years now recommend controlled access more like an operating room environment. In the current *Guidelines for Design and Construction of Health Care Facilities*, cardiac catheterization procedures are grouped into services that are provided in interventional imaging suites. The suites are larger in area than in the past and access is controlled by a semi-restricted corridor surrounding the restricted procedure rooms. This project will rearrange the catheterization rooms into a configuration in accordance with the current guidelines for interventional imaging suites.

In addition to the space renovation, this project includes new mechanical equipment for updating air-handling capability to ensure continued adherence to recommended air exchanges in the catheterization area and proximal space. Updating the air-handling equipment with the renovation would not reach a threshold level or involve activity that requires a Certificate of Need. However, the addition of updating catheterization equipment does tip the project over the threshold to require a CON.

In addition to new equipment in the procedure rooms that will include pharmaceutical dispensing, lighting and equipment ceiling mounts, two new catheterization units are included to replace equipment that has reached the extent of expected lifetime utilization. The new "combo" catheterization units support peripheral vascular procedures as well as cardiac procedures. The capabilities of the new equipment are consistent with the other procedure rooms and are responsive to the changes in the service needs. While the growth rate for cardiac cath has stalled and slightly decreased for some types of procedures, as reflected nationally, the number of peripheral vascular procedures is

December 23, 2015**11:46 am**

increasing. These proposed new machines will support both. However, the cost of each unit is not sufficient to categorize the replacement as major medical equipment which could be updated without a CON.

Economic Feasibility

The proposal can be economically accomplished and will continue to be maintained as demonstrated by the success of the existing service. The financial projection of the project indicates the positive contribution to the cash flow for provision of other services provided by the hospital. The project does not require an increase in charges and will continue to serve patients in the same federal, state and private financial categories.

The project cost for renovation is within the range of other projects as indicated by the Agency's renovation cost per sq. ft. chart. Replacement of the air-handling equipment benefits the cath area as well as providing support for extensive other areas outside the catheterization space.

As previously discussed, if the project had been accomplished in separate phases of renovation and catheterization equipment upgrade, the CON threshold would not have been reached. In fact, if the catheterization equipment had been more expensive to be classified as major medical equipment, it could have been replaced without CON approval.

Although, a phased implementation would have not triggered a CON it was not a less costly alternative. The cath area will be upgraded in the same location by redistributing existing space more efficiently and effectively. The proposed project involves 5 phases of work to allow operation of the catheterization to continue during the entire renovation period. Extending the period to complete the upgrade would potentially extend disruption and complicate operations which could detract from the more economical completion of the renovation.

The support of funding from Baptist Memorial Health Care Corporation is committed as presented in the letter from the System's Chief Financial Officer.

Contribution to the Orderly Development

This project does not involve new or expanded services that duplicate or negatively affect competition. It is accomplished by renovating and updating an existing area according to current health care facility guidelines with equipment to provide functional needs. Accessibility to the controlled environment will be safer and comfortable for patients and staff. Staffing will continue at appropriate levels for the services provided according to need. Performance will continue to show high quality supported by dedicated professionals in an environment responsive to ethical and governmental standards.

December 23, 2015**11:46 am****2. Section A, Applicant Profile, Item 1**

The name of the facility should be Baptist Memorial Hospital and not include Cardiac Catheterization Lab Renovation. Please make the necessary correction.

Response:

The facility name has been corrected on the following replacement page.

3. Section A, Applicant Profile, Item 3

Department of Health's Licensure website identifies the Baptist Memorial Hospital owner address as 6019 Walnut Grove Road. The application list the address as 350 N. Humphreys Boulevard. Please address this discrepancy.

Response:

The physical address of BMH-Memphis is correct in the published LOI and on the License. The registered corporate address was mistakenly entered on the application and has been corrected on the following replacement page. The physical address of the hospital is 6019 Walnut Grove Road, Memphis, Shelby County, Tennessee 38120

December 23, 2015**11:46 am**

1.	<u>Name of Facility, Agency, or Institution</u>			
	<u>Baptist Memorial Hospital</u>			
	Name			
	<u>6019 Walnut Grove Road</u>		<u>Shelby</u>	
	Street or Route		County	
	<u>Memphis</u>	<u>TN</u>	<u>38120</u>	
	City	State	Zip Code	
2.	<u>Contact Person Available for Responses to Questions</u>			
	<u>Arthur Maples</u>		<u>Dir. Strategic Analysis</u>	
	Name		Title	
	<u>Baptist Memorial Health Care Corporation</u>		<u>Arthur.Maples@bmhcc.org</u>	
	Company Name		Email address	
	<u>350 N. Humphreys Blvd</u>	<u>Memphis</u>	<u>TN</u>	<u>38120</u>
	Street or Route	City	State	Zip Code
	<u>Employee</u>	<u>901-227-4137</u>	<u>901-227-5004</u>	
	Association with Owner	Phone Number	Fax Number	
3.	<u>Owner of the Facility, Agency or Institution</u>			
	<u>Baptist Memorial Hospital</u>		<u>(901) 226-5000</u>	
	Name		Phone Number	
	<u>6019 Walnut Grove Road</u>		<u>Shelby</u>	
	Street or Route		County	
	<u>Memphis</u>	<u>TN</u>	<u>38120</u>	
	City	State	Zip Code	
4.	<u>Type of Ownership of Control (Check One)</u>			
	A. Sole Proprietorship	_____	F. Government (State of TN or	_____
	B. Partnership	_____	Political Subdivision)	_____
	C. Limited Partnership	_____	G. Joint Venture	_____
	D. Corporation (For Profit)	_____	H. Limited Liability Company	_____
	E. Corporation (Not-for-Profit)	<u>X</u>	I. Other (Specify)	_____

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

4. Section A, Applicant Profile, Item 3

The 2013 Joint Annual Report indicates there were 547 staffed beds in 2013. The bed complement Data Chart reflects 549 beds. Since 2013, please clarify if the additional 2 beds were assigned as medical or ICU/CCU staffed beds.

Response:

The 2 additional beds are Medical/Surgical and are due to movement of units and changes within the hospital.

The Joint Annual Report (JAR) and the CON chart are different in time frame and somewhat different in categories. The 2013 JAR Schedule F indicates 545 Beds are staffed. The JAR 2014 Schedule F indicates a total of 547 beds are set up and staffed on an typical day as of Sept 30, 2014. In that chart, the 547 includes 5 beds that are designated for hospice patients, 68 for ICU/CCU and 474 for Medical/Surgical.

The bed chart in the CON indicates that 72 beds are ICU/CCU and 477 beds are Medical/Surgical. The difference in the ICU/CCU count ($72 - 68 = 4$) is due to including 4 ICU beds that are part of the mylo/suppression unit in the CON Chart with the ICU/CCU Category. Those beds are in the Medical/Surgical bed count for the JAR because they are used when needed for patients with special protection for infection control.

Another difference is 5 beds that are shown for Hospice in the JAR are included in the Medical/surgical count for the CON Chart rather than broken out separately. Those beds are used for Hospice as allowed by a special exception for TN hospice patients in a licensed hospital.

In addition to modest differences in the Tables, patient units within the hospital can close and/or open during the period to allow for renovation and other activities on a floor. Units differ in size for various reasons.

The difference in the bed complement data between the 2014 JAR and the CON bed chart is a result of the movement of beds inside the hospital and the additional 2 beds (CON Chart 549 vs 2014 JAR 547) in the CON chart are in the Medical/Surgical Category.

5. Section A, Applicant Profile, Item 13

Please clarify if the applicant is contracted with TennCare Select.

Response:

Baptist participates with all three MCOs and TennCare Select.
Volunteer State Health Plan - Blue Cross Blue Shield of TN BlueCare
Amerigroup Community Care
United Healthcare Plan of the River Valley - United Healthcare
Community Plan

The application and has been corrected on the following replacement page.

9. Bed Complement Data

Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Licensed</u>	<u>Beds *CON</u>	<u>Staffed Beds</u>	<u>Beds Proposed</u>	<u>TOTAL Beds at Completion</u>
A. Medical	<u>626</u>	<u> </u>	<u>477</u>	<u> </u>	<u>626</u>
B. Surgical	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
C. Long-Term Care Hospital	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
D. Obstetrical	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
E. ICU/CCU	<u>80</u>	<u> </u>	<u>72</u>	<u> </u>	<u>80</u>
F. Neonatal	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
G. Pediatric	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
H. Adult Psychiatric	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
I. Geriatric Psychiatric	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
J. Child/Adolescent Psychiatric	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
K. Rehabilitation	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
L. Nursing Facility (non-Medicaid Certified)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
M. Nursing Facility Level 1 (Medicaid only)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
N. Nursing Facility Level 2 (Medicare only)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
P. ICF/MR	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Q. Adult Chemical Dependency	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
R. Child and Adolescent Chemical Dependency	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
S. Swing Beds	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
T. Mental Health Residential Treatment	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
U. Residential Hospice	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>706</u>	<u> </u>	<u>549</u>	<u> </u>	<u>706</u>

10. Medicare Provider Number 44-0048
Certification Type Hospital

11. Medicaid Provider Number 0440048
Certification Type Hospital

12. If this is a new facility, will certification be sought for Medicare and/or Medicaid?

13. Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? yes If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.

Baptist participates with all three MCOs and TennCare Select.
 Volunteer State Health Plan – Blue Cross Blue Shield of TN BlueCare
 Amerigroup Community Care
 United Healthcare Plan of the River Valley – United Healthcare Community Plan

6. Section B, Project Description, Item I

The applicant states there are 5 cath labs on the concourse floor at Baptist Memorial Hospital, however the 2013 JAR indicates there are 6 cath labs. Please clarify the difference.

Response

The 2013 JAR is correct. The hospital operates 6 cath labs as also presented in the 2014 JAR. Please refer to the first paragraph in the response on page 4 of the application which states that another cath lab that is primarily used for outpatients on a different floor is not included in this project. That lab is in a separate suite to accommodate outpatients and the area and equipment are not in need of renovation or update.

The executive summary is noted. However, please list each of the following topics and provide a brief description underneath each:

- Brief description of proposed services and equipment

Response

The project involves renovation of space for 5 exiting cardiac catheterization labs, new imaging equipment for cardiac and peripheral vascular imaging in 2 rooms, ceiling equipment mounts in all rooms, new lighting, 2 volcano machines for ultrasound imaging guidance and omnicell drug dispensing units. The additional space required by the cath facility guidelines, the new equipment that generates additional heat and the age of the current HVAC infrastructure unit also prompts the need to replace the air-handler serving the cath lab and other areas.

- Ownership structure

Response

Baptist Memorial Hospital-Memphis (BMHM) is a non-profit, private, general acute care tertiary hospital that is the main campus for Baptist Memorial Hospital (BMH). Two other BMH hospital campuses under the same license are BMH-Collierville and BMH for Women in Shelby County. The main campus also accepts complex cases from regional BMH hospitals. The sole member of BMH is Baptist Memorial Health Care Corporation, a non-profit private corporation, with facilities and Baptist Medical Group (BMG) physicians in Tennessee, Mississippi and Arkansas.

- Service area

Response

The primary service area for this project is Shelby, Fayette and Tipton counties in Tennessee.

- Need

Response

Current Guidelines for Design and Construction of Health Care Facilities and the age of the cardiac equipment has prompted the need for the renovation project. The labs will be arranged in an area with controlled access similar to surgical suites. Catheterization equipment in 2 rooms will be completely replaced with combination

units supporting cardiac and peripheral vascular procedures. New services or additional major medical equipment are not involved.

- Existing Resources

Response

Some existing equipment will be removed and reinstalled after the space is reconfigured. Trained and skilled personal will continue to provide the service. The cath labs will be replaced in the same location where they currently exist requiring 5 phases of renovation to ensure that operations continues without interruption.

- Project Cost

Response

The total project cost for renovation, replacement equipment, and air-handling is modestly above the CON threshold at \$6,109,654.

- Funding Financial Feasibility, and

Response

The funding is available from cash reserves of the hospital and the sole member Baptist Memorial Health Care Corporation.

- Staffing

Response

Staff is currently active and will continue with existing professionals. Staff is scheduled according to operational demand.

What is the source of the definitions such as "interventional imaging suite", "restricted area", "semi-restricted area", etc?

Response

The source of the terms is the 2014 Facility Guidelines Institute publication titled *Guidelines for Design and Construction of Health Care Facilities*.

7. Section B, Project Description, Item II.A.

It appears the total cost per square foot of the project is \$171.82 (\$2,501,135/14,556 SF). Please clarify.

Response:

The cost of the project including the air handler as shown in the chart which allocates the cost of the air-handler over the total area served in the project is \$171.82845 = $\boxed{\$171.82/\text{sq.ft.}}$ or \$171.83 if cost is rounded up.

The air-handler is replacement equipment that will actually cover a broader area than the cath lab. However, allocating the cost only over the area that is part of the project is one way to provide an estimated cost per square foot for the project.

A revised page 21, numbered 21R follows this page to indicate this method was used to determine the cost per sq ft of the project.

Alternative approaches to calculating the cost per square foot are to add the total cost of the renovated area and divide that total by the area which excludes the cost of the air handler. However, the air handler will be installed through the construction contract.

Alternative 1:

Excluding air handler:

$$(\$1,603,538 + \$191,597) / (5,381\text{sq.ft.} + 1,897\text{sq.ft.}) = \boxed{\$246.65/\text{sq.ft.}}$$

Alternative 2 including air handler but no inclusion of area covered:

$$(\$1,603,538 + \$191,597 + \$706,000) = \$2,501,135$$

$$\$2,501,135 / 7,278\text{sq.ft.} = \boxed{\$343.65/\text{sq.ft.}}$$

December 23, 2015**11:46 am**

2. Identify the funding sources for this project.

Please check the applicable item(s) below and briefly summarize how the project will be financed. *(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)*

- ☐ A. Commercial loan—Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds—Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.
- ☐ D. Grants—Notification of intent form for grant application or notice of grant award; or
- ☒ E. Cash Reserves—Appropriate documentation from Chief Financial Officer.
- ☐ F. Other—Identify and document funding from all other sources.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

Response:

The estimated construction cost of the cath lab suite is \$171.83 per sq. foot. The cost appears to be reasonable based on the HSDA's construction cost per square foot chart for renovated construction. It is between the 1st and 2nd Quartile as indicated in the Table below.

Hospital Construction Cost Per Square Foot			
Years: 2012 – 2014		New	Total
Renovated		Construction	Construction
Construction			
1st Quartile	\$110.98/sq ft	\$224.09/sq ft	\$156.78/sq ft
Median	\$192.46/sq ft	\$259.66/sq ft	\$227.88/sq ft
3rd Quartile	\$297.82/sq ft	\$296.52/sq ft	\$298.66/sq ft

8. Section B, Project Description Item IV. (Floor Plan)

Please provide an enlarged copy of the cardiac cath proposed floor plan.

What is now operating in the area that will be occupied by the proposed cardiac renovation? If so, where will the service be relocated after the completion of this project?

Response:

The cath lab area will be renovated in the same space that it now occupies. The procedure rooms will be enlarged by including space that is now used for functions that can be accommodated away from the operational area such as an employee breakroom. The renovation will occur in 5 phases so that operation can continue during the renovation.

December 23, 2015

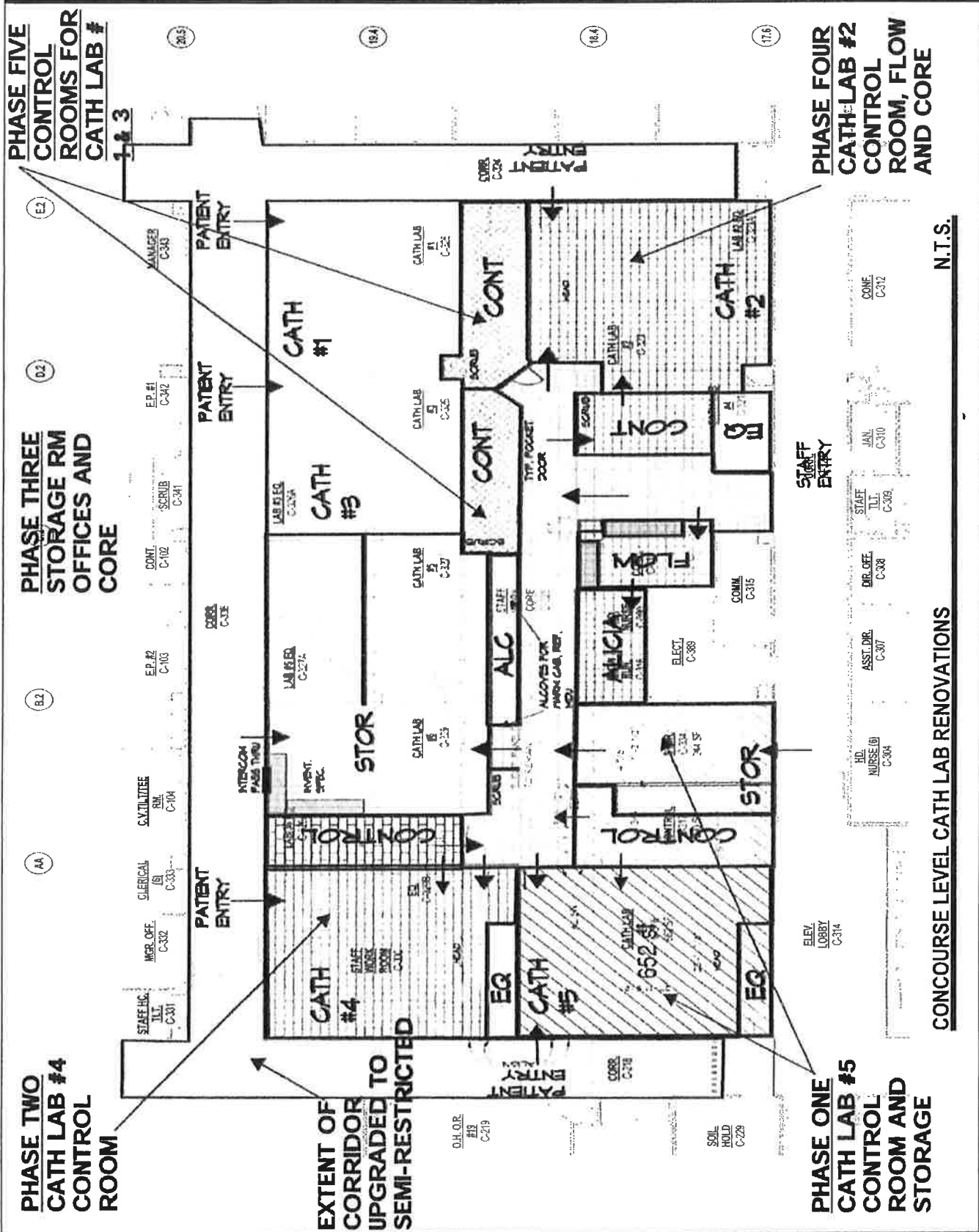
11:46 am

BMHM CATH LAB MASTERPLAN

ES&E
Engineering & Science Associates, Inc.
10000 West 10th Avenue, Suite 100
Denver, CO 80202
Tel: 303.755.1234
Fax: 303.755.1235
www.esandesign.com

SCHEMATIC DESIGN
DATE: 12/23/15
BY: [Signature]
CHECKED: [Signature]
NOT FOR CONSTRUCTION

Enter address here



9. Need, Item 1. (Service Specific Criteria-Construction, Renovation, Expansion, and Replacement of Health Care Institutions, #3.a)

Please summarize the 2014 cardiac utilization for the current hospital campus located at 6019 Walnut Grove Road, Memphis using the following table:

Response :

The entire hospital campus includes 6 Cardiac Catheterization labs. A new information system has been installed that will allow future reporting by individual unit. However, separating procedures into individual rooms is not available at this time.

Statistics are provided by number of procedures

Cath Type	2014 Total Cath lab Utilization	Cath lab #2	Cath lab #3	Cath lab #4	Cath lab #5
Diagnostic Cardiac	923				
Diagnostic Peripheral Vascular	174				
Therapeutic Cardiac	7,875				
Therapeutic Peripheral Vascular	1,229				
Diagnostic EP	N/A				
Therapeutic EP	N/A				
TOTAL	10,201				

Please note that Electrophysiological Procedures are done in a different area.

10. Need, Item 1. (Service Specific Criteria-Construction, Renovation, Expansion, and Replacement of Health Care Institutions, #3.b)

The applicant indicates the renovation proposal is due to changes in facility guidelines and the normal replacement requirements for aging equipment. Please discuss.

Response:

The Facility Guidelines Institute publishes the Guidelines for Design and Construction of Health Care Facilities which is used in Tennessee as the standard for Health Care Facilities. As discussed in other responses, the most recent renovation to the area was designed and built more than 15 years ago. The cath labs are currently located on opposite sides of a single uncontrolled corridor. The building standards that have changed over the years now recommend controlled access more like an operating room environment. Cardiac catheterization procedures are grouped into services that are provided in interventional imaging suites. The suites are larger in area than in the past and access is controlled by a semi-restricted corridor surrounding the restricted procedure rooms. This project will rearrange the catheterization rooms into a configuration in accordance with the current guidelines for interventional imaging suites.

This project also includes new mechanical equipment for updating air-handling capability to ensure continued adherence to recommended air exchanges in the catheterization area and proximal space. Updating the air-handling equipment with the renovation would not reach a threshold level or involve activity that requires a Certificate of Need. However, the addition of updating catheterization equipment does tip the project over the threshold to require a CON.

In addition to new equipment in the procedure rooms that will include pharmaceutical dispensing, lighting and equipment ceiling mounts, two new catheterization units are included to replace equipment that has reached the extent of expected lifetime utilization. The new "combo" catheterization units support peripheral vascular procedures as well as cardiac procedures. The capabilities of the new equipment are consistent with the other procedure rooms and are responsive to the changes in the service needs.

11. Section C, Need, Item 4. A and B

Your response to this item is noted. Using the most recent population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each county in your proposed service area.

<i>Variable</i>	<i>Fayette</i>	<i>Tipton</i>	<i>Shelby</i>	<i>Service Area</i>	<i>Tennessee</i>
<i>Current Year (2015), Age 65+</i>	7,271	8,414	112,753	128,438	1,012,937
<i>Projected Year (2019), Age 65+</i>	8,408	9,778	129,543	147,729	1,134,565
<i>Age 65+, % Change</i>	13.52%	13.95%	12.96%	13.06%	10.72%
<i>Age 65+, % Total (PY)</i>	18.29%	14.28%	13.55%	13.80%	16.45%
<i>CY, Total Population</i>	41,835	64,759	946,559	1,053,153	6,649,438
<i>PY, Total Population</i>	45,963	68,477	956,200	1,070,640	6,894,997
<i>Total Pop. % Change</i>	8.98%	5.43%	1.01%	1.63%	3.56%
<i>TennCare Enrollees</i>	6,644	12,885	252,782	272,311	1,363,948
<i>TennCare Enrollees as a % of Total Population</i>	15.88%	19.90%	26.71%	25.86%	20.51%
<i>Median Age</i>	43.1	37.4	34.8	38.4	38.3
<i>Median Household Income</i>	\$55,623	\$53,133	\$46,213	\$ 51,656	\$44,621
<i>Population % Below Poverty Level</i>	14.50%	13.10%	21.30%	16.30%	17.80%

<http://factfinder.census.gov>

Source: 2010-2014 American Community Survey 5-Year Estimates

<https://www.tn.gov/tenncare/topic/enrollment-data>

<https://tn.gov/assets/entities/health/attachments/Population Projections 2010-20.pdf>

Please complete the following chart for the number of deaths from diseases of the heart with rates per 100,000 population using the latest data from the Tennessee Department of Health.

County/State	Number of Deaths	Rate
State	14,723	226.7
Shelby	1,825	194.3
Tipton	121	196.5
Fayette	79	204.2

NUMBER OF DEATHS FROM DISEASES OF THE HEART WITH RATES PER 100,000 POPULATION, BY RACE, TENNESSEE RESIDENT DATA, 2013

SOURCE: TENNESSEE DEPARTMENT OF HEALTH, DIVISION OF POLICY, PLANNING AND ASSESSMENT, OFFICE OF HEALTH STATISTICS

12. Section C, Need, Item 5

There appears to be calculation errors in the table in rows 1 and 2 of the Baptist Memphis section of the chart. Please revise.

Response:

The revisions are shown below, some corrections were made to Baptist Memphis Joint Annual Report data for 2014. For purposes of this application, data consistent with previous established definitions were entered into the chart below for 2013 and 2014.

Row Labels	2011	2012	2013	2014 (blank)	Grand Total
Baptist Memphis	15651	15730	14102	13681	59164
All Other Heart	3994	3698	3441	4290	15423
All Other Non Cardiac	1152	1502	1612	1403	5669
Intra-Cardiac or Coronary Artery	6760	6820	5652	4160	23392
PTCA	1540	1443	1340	1485*	5808
Stents	1470	1383	1293	1517	5663
Thrombolytic Therapy	735	884	764	826*	3209

*signifies change in numbers that were reported on JAR exceptions are necessary due to changes in CPT and ICD9 code availability during software system conversion.

13. Section C, Need, Item 6

Please complete the following historical utilization table for the latest three year Joint Annual Reporting period.

Response:

The table below is based on numbers reported in the respective JARs. Number of set up and staffed beds are from schedule F on page 23. Discharge Patient Days are from schedule G on page 24. Occupancy is the calculation: $\text{days} / (\text{number of beds} \times 365)$.

	2012			2013			2014		
Hospital	Beds	Days	Occ'y	Beds	Days	Occ'y	Beds	Days	Occ'y
Baptist Memorial Hospital	573	170,707	81.62%	545	163,128	82.00%	547	155,576	77.92%

The chart in item 6 is noted. However, please clarify what types of procedures are included in the table.

Response:

The table is based on procedures reported in the Joint Annual Report that were placed in the column indicated as "In Cath Lab Setting". When possible, the number reported in the Joint Annual Report has been adjusted to reflect procedures limited to the cardiac cath lab, which is the subject of this certificate of need application. The hospital has a mature heart program and procedures such as pacemakers can be performed in surgery or in other cath lab settings. Other cath lab settings include interventional radiology, which is in the radiology department, and electrophysiology, which is also associated with cardiac services but outside the traditional cardiac catheterization area.

What were the causes of utilization decline since 2012 and why does the applicant believe the decline will level off at 10,370 beginning in 2015?

Response:

As noted below the chart "CV Volume Growth Projections by Sub-Service Line" in the Application, Due to Drug Eluting Stents and other advancements in the field, the chart indicates a declining trend in Outpatient and Inpatient cardiac cath volume. A decrease in the number of inpatient and outpatient Caths on the top row is consistent with national trends. However, PTCA and Stents do not appear to be decreasing at the same rate and the number of All Other Non-Cardiac procedures that are done in the Cath Lab is substantial.

The new cardiac cath lab equipment will support cardiac and peripheral vascular catheterizations. Internal data show that the number of non-cardiac procedures is growing.

14. Section C, Economic Feasibility Item 3

Please provide the cost per square for renovation and total construction cost per square foot and compare the cost to other HSDA hospital renovation projects.

Total construction cost appears to be \$172 per PSF, rather than \$299 PSF. Please clarify.

Response:

The 2 applications that were referenced regarding charge comparisons did not involve comparable renovation. Both Erlanger East CN1502-005 and Dyersburg Regional Medical Center CN1403-007 involved adding miscellaneous clinical equipment with no renovation.

Since comparable projects are not available, the comparison will rely on the Hospital Construction Cost per Square Foot provided in the HSDA Applicant's Toolbox. The renovation appears reasonable using either the first approach that is \$171.82 per sq. ft. or Alternate 1 that is \$246.65 per sq.ft. that excludes the air handler. However, the letter from the architect verifies that the project cost is reasonable.

Hospital Construction Cost Per Square Foot

Years: 2012 – 2014		New	Total
Renovated		Construction	Construction
Construction			
1st Quartile	\$110.98/sq. ft.	\$224.09/sq. ft.	\$156.78/sq. ft.
Median	\$192.46/sq. ft.	\$259.66/sq. ft.	\$227.88/sq. ft.
3rd Quartile	\$297.82/sq. ft.	\$296.52/sq. ft.	\$298.66/sq. ft.

As stated in the response to question 7, the cost of the project including the air handler as shown in the square Footage chart, allocates the cost of the air-handler over the total area served in the project. The calculated cost is $\$171.82845 = \$171.82/\text{sq.}$ or \$171.83 if cost is rounded up.

The air-handler is replacement equipment that will actually cover a broader area than the cath lab. However, allocating the cost only over the area that is part of the project is one way to provide an estimated cost per square foot for the project.

Alternate approaches to calculating the cost per square foot are to add the total cost of the renovated area and divide that total by the area which excludes the cost of the air handler. However, the air handler will be installed through the construction contract.

Alternate 1:

Excluding air handler:

$$(\$1,603,538 + \$191,597) / (5,381\text{sq.ft.} + 1,897\text{sq.ft.}) = \$246.65/\text{sq.ft.}$$

Alternate 2:

Including air handler but no inclusion of area covered:

$$(\$1,603,538 + \$191,597 + \$706,000) = \$2,501,135$$

$$\$2,501,135 / 7,278\text{sq.ft.} = \$343.65/\text{sq.ft.}$$

15. Section C, Economic Feasibility Item 4**Historical Data Chart**

If the applicant is a non-profit hospital, why are there taxes assigned in the Historical Data Chart in 2012 (\$1,369,438), in 2013 (\$1,355,226), and 2014 (\$1,817,757).

Response:

Although BMH is a non-profit hospital, the entity owns Professional Office Buildings that are assessed property taxes. Those taxes comprise most of the amounts shown on the historical chart although some modest retail services are also taxed. The property assessment increased significantly from 2013 to 2014. Locations include 6025 and 6027 Walnut Grove Road, Memphis, TN, 55 Humphreys Center, Memphis TN, and 1111 Union Avenue, Memphis TN.

Why did Net operating Income drop from \$8,735,252 in 2012 to (\$51,468,237) in 2014?

Response:

Additional costs were associated with capitalizing the new information system project with additional training for all personnel and subsequent depreciation. Overall budgeted expenses increased during the period. Additional costs were for consultation involved in executing a revenue improvement project with supply expense reduction, labor optimization, length of stay optimization and electronic clinical documentation.

Please provide a Projected Data Chart for Baptist Memorial Hospital.

Response:

Charts for FY 2015 and FY 2016 are provided on the following page.

Why did Management Fees to Affiliates increase from \$59,039,856 in 2013 to \$77,132,582 in 2014.

Response:

Several revenue cycle functions were centralized to corporate. Prior to the centralization, the costs would have been in salary and benefits prior to 2014. As previously discussed, additional costs were involved for consultation involved in executing a revenue improvement project.

The clarify what is categorized as a "Loss on Asset Impairment" in the amount of \$10,275,321 in the Other Expenses Categories in 2014.

Response:

The expense was associated with a one-time write-off associated with a Specialist Clinic that became part of BMH-Memphis.

Projected Data Chart

Please clarify the reason cafeteria revenue is included in the Projected Data Chart. If needed, please revise and resubmit.

Response:

The word cafeteria was mistakenly written on the line before the chart was used and should have been deleted. The amount on the line is other revenue associated with services provided for related

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hospitals' patients. For example, patients may transfer from BMH-Tipton and BMH-Collierville to BMH-Memphis for a cardiac cath procedure at BMH-Memphis and return to the other hospital. BMH-Memphis would receive revenue from the other hospital and the other hospital would bill the patient.

December 23, 2015**11:46 am****PROJECTED DATA CHART****BMH-Memphis**

Give information for the last two (2) years following the completion of this proposal.
 The fiscal year begins in _October_ (Month)

	Year 2015	Year 2016
A. Utilization Date (Discharges)	25,800	27,070
B. Revenue from Services to Patients		
1. Inpatient Services	\$ 1,405,455,909	\$ 1,488,108,451
2. Outpatient Services	\$ 678,296,168	\$ 708,766,260
3. Emergency Services	\$ 118,670,517	\$ 123,866,665
4. Other Operating Revenue (specify) <u>cafeteria etc.</u>	\$ 14,414,576	\$ 16,025,542
Gross Operating Revenue	\$ 2,216,837,170	\$ 2,336,766,918
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$ 1,596,748,468	\$ 1,677,216,412
2. Provision for Charity Care	\$ 59,139,434	\$ 60,087,489
3. Provision for Bad Debt	\$ 54,911,673	\$ 60,317,321
Total Deductions	\$ 1,710,799,575	\$ 1,797,621,222
NET OPERATING REVENUE	\$ 506,037,595	\$ 539,145,696
D. Operating Expenses		
1. Salaries and Wages	\$ 187,782,456	\$ 198,568,903
2. Physician's Salaries and Wages		
3. Supplies	\$ 142,906,881	\$ 141,135,570
4. Taxes	\$ 1,607,440	\$ 1,548,462
5. Depreciation	\$ 22,496,920	\$ 22,696,636
6. Rent	\$ 1,126,908	\$ 1,154,093
7. Interest, other than Capital	\$ 490	\$ 490
8. Management Fees:		
a. Fees to Affiliates	\$ 63,216,120	\$ 73,003,980
b. Fees to Non-Affiliates		
9. Other Expenses (Specify on separate page)	\$ 72,317,160	\$ 77,441,677
Total Operating Expenses	\$ 491,454,375	\$ 515,549,810
E. Other Revenue (Expenses) - Net (Specify)	\$ (4,241,170)	\$ (10,895,783)
NET OPERATING INCOME (LOSS)	\$ 10,342,050	\$ 12,700,103
F. Capital Expenditures		
1. Retirement of Principal	\$ 17,525,000	\$ 16,925,000
2. Interest	\$ 530,508	\$ 477,793
Total Capital Expenditures	\$ 18,055,508	\$ 17,402,793
LESS CAPITAL EXPENDITURES	\$ (7,713,458)	\$ (4,702,690)

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	Year 1	Year 2
Purchased Services	\$ 10,989,676	\$ 10,546,212
Insurance Expense	\$ (2,213,111)	\$ 2,654,861
Utilities	\$ 5,574,333	\$ 5,844,666
Repairs and Maintenance	\$ 10,821,077	\$ 11,933,032
Professional Fees:	\$ 29,428,984	\$ 28,059,444
Medicaid Assessment	\$ 12,350,028	\$ 12,350,028
Misc	\$ 5,366,174	6,053,434
Loss on Asset Impairment		
Total Other Expenses	72,317,160	77,441,677

December 23, 2015**11:46 am****PROJECTED DATA CHART**

Give information for the last two (2) years following the completion of this proposal.

The fiscal year begins in Oct (Month)

	2017	2018
A. Utilization Date (Oct -Sept)	10,730	10,730
B. Revenue from Services to Patients		
1. Inpatient Services	\$ 70,469,235	\$ 73,992,697
2. Outpatient Services	\$ 92,422,466	\$ 97,043,589
3. Emergency Services		\$ -
4. Other Operating Revenue (services to affiliates)	\$ 109,669	\$ 115,153
Gross Operating Revenue	\$ 163,001,370	\$ 171,151,439
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$ 120,621,014	\$ 128,363,579
2. Provision for Charity Care	\$ 3,928,333	\$ 4,124,750
3. Provision for Bad Debt	\$ 3,053,895	\$ 3,206,590
Total Deductions	\$ 127,603,242	\$ 135,694,919
NET OPERATING REVENUE	\$ 35,398,128	\$ 35,456,520
D. Operating Expenses		
1. Salaries and Wages	\$ 4,334,731	\$ 4,464,773
2. Physician's Salaries and Wages	\$ -	
3. Supplies	\$ 7,252,669	\$ 7,470,249
4. Taxes	\$ -	
5. Depreciation*-includes depreciation of new CON	\$ 1,758,116	\$ 1,625,584
6. Rent	\$ 229,904	\$ 229,904
7. Interest, other than Capital	\$ -	
8. Management Fees:		
a. Fees to Affiliates		
b. Fees to Non-Affiliates		
9. Other Expenses (Specify on separate page)	\$ 848,619	\$ 848,619
Total Operating Expenses	\$ 14,424,039	\$ 14,639,129
E. Other Revenue (Expenses) - Net (Specify)		
NET OPERATING INCOME (LOSS)	\$ 20,974,089	\$ 20,817,391
F. Capital Expenditures		
1. Retirement of Principal		
2. Interest	\$ -	\$ -
Total Capital Expenditures	\$ -	\$ -
LESS CAPITAL EXPENDITURES	\$ 20,974,089	\$ 20,817,391

December 23, 2015**11:46 am****HISTORICAL DATA CHART-OTHER EXPENSES**

<u>OTHER EXPENSES CATEGORIES</u>	Year 2011	Year 2012	Year 2013
Total Other Expenses	\$ -	\$ -	\$ -

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	Year 1	Year 2
Purchased Services	685	685
Linen	51,144	51,144
Courier	341	341
Travel/Education	18,600	18,600
Miscellaneous	1,123	1,123
Repairs	30,641	30,641
Maintenance Contract	744,377	744,377
Leased Equipment	1,708	1,708
Total Other Expenses	848,619	848,619

16. Section C, Economic Feasibility, Item 9

The table providing Medicare and TennCare/Medicaid percent of Gross Revenue is noted. However, please clarify if the % of gross revenue of Medicare, TennCare/Medicaid is rounded.

Response:

If the question refers to rounding the amount up to the nearest percent, the answer is yes. Charity displays the largest rounded difference.

However, in reviewing the data an inadvertent omission was found. The amounts associated with the beginning and end of a procedure were not included. The accounting for the pre and post cath area is separate from the cath procedure records. The corrected chart is below with the format changed to allow decimals for clarity.

	Gross Revenue	% of Total
Category		
Medicare	107,301,269.08	65.83%
TennCare/Medicaid	6,247,166.12	3.83%
Self-Pay	3,762,768.54	2.31%
Charity	174,230.32	0.11%
Total Gross Revenue	163,001,370.00	

17. Section C, Economic Feasibility, Item 10

The unaudited financials are noted. However, please provide a copy of the audited financials ending September 30, 2014 as referenced in a March 4, 2015 letter from Deloitte.

Response:

Baptist Memorial Hospital does not receive a separate audit. It is part of the consolidated financials that are audited. The 2014 financials that are presented in the CON application represent the statements for BMH that were included in the consolidated audited financials ending September 30, 2014 referenced in the March 4, 2015 letter from Deloitte. Therefore, the audited 2014 financial statements that are available for BMH are already provided.

18. Section C., Contribution to Orderly Development, Item 1

Please list all existing health care providers, managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual agreements that are related to this proposed project.

Response:

The providers include those listed below and on the following pages.

Name
Advanced Health Systems, Inc.
Advanced Services, Inc.
Aetna Health, Inc.
American PPO, Inc.
Amerigroup
Arkansas Blue Cross Blue Shield
Arkansas Blue Cross Blue Shield - Health Advantage
Arkansas Blue Cross Blue Shield - MediPak Advantage PFFS
Arkansas Blue Cross Blue Shield - True Blue PPO (Exchange)
Arkansas Blue Cross Blue Shield - USable First Source
Babcock & Wilcox Company
Bankers Life & Casualty
Banyan Finance, LLC
Barinet
BCBS MS
BCBS TN Medicare Advantage
BCBST & BCBSA (BQCT Transplant Network)
BCBST (BMMC) DIRECT
BCBST Blue Care (BlueCare/TennCare Select)
BCBST Blue Network P
BCBST Blue Network S
BCBST BlueCoverTN
Bluegrass Family Health (Formerly Signature Health Alliance)
Bryce Corporation
Butler Snow, LLP
Calhoun County Board of Supervisors
CareCentrix
Century Management
Chapter 13 Trustees
Charms Company
Cigna Healthcare of Tennessee, Inc.
City of Clarksdale
Community Health Alliance Health Plan (CHA)

Competition Cams, Inc.
Cooper Realty Company
Correctional Medical Services, Inc.
Coventry Health Care Workers Compensation, Inc.(First Health)
Coventry Health Plan
Coventry Health Plan (HPN)
Dunavant Enterprises, Inc.
First Choice Health Plan of Mississippi, LLC
First Choice Health Plan of MS, LLC/Desoto County
Fox/Everett, Inc.
Gamma Healthcare
Guardsmark, LLC
Health Partners
Health Value Management, Inc. (ChoiceCare Network)
Health Value Management, Inc. d/b/a National Transplant Network
(Humana/ChoiceCare)
HealthSCOPE Benefits, Inc.
HealthSmart Benefit Solutions Inc.
HealthSmart Benefit Solutions, Inc. (Partner Solutions)
HealthSpring, Inc.
Humana Choice Care (Work Comp)
Humana Health Plans, Inc. (HMO/POS/EPO)
Humana Ins. Company - Medicare
Humana Military Healthcare Services, Inc. (Tricare - Champus)
Humphreys County Board of Supervisors
Kagome Creative Foods
LifeSynch
Littler Mendelson, PC
Magnolia Health Plan (Centene)
Magnolia Health Plan Commercial (EXCHANGE)
Magnolia Regional Health Center
Mental Health Associates, Inc. (MHNet)
Mid-South Transports, Inc.
Mississippi Health Partners
Mississippi Physicians Care Network (MPCN)
MultiPlan COE (Transplant)
MultiPlan, Inc.
NaphCare
North Mississippi Health Link, Inc.
NovaNet PPO, LLC (Group Health)
NovaNet PPO, LLC (Work Comp.)
Novasys Health Network
OptumHealth Care Solutions

PPOplus, LLC/Stratose
Provider Select, Inc.
QCA Health Plan Inc. (Formerly QualChoice)
Regional One Health
Rhodes College
Seabrook Wallcoverings
St. Jude Children's Research Hospital
Standard Construction Company, Inc.
Strategic Health Development Corporation (Transplant Network)
Tate County Board of Supervisors (Prisoners)
Tennessee Breast & Cervical Screening Program
Tishomingo County Board of Supervisors
TriWest Healthcare Alliance Corporation
United Healthcare Community Plan of TN (TennCare)
United HealthCare Student Resources
University of MS Athletic Dept
USA Managed Care Organization, Inc.
USA Managed Care Organization, Inc-SeniorCare
V. Alexander & Company, Inc.
Value Options Federal Services Inc. (TRICARE)
Veterans Evaluation Services
Washington County Board of Supervisors
Williams Sausage Company
Windsor Health Plan of TN, Inc.
Windsor Home Care Network, LLC
Windsor Sterling Life Insurance Company
Wood & Associates
Yazoo County Board of Supervisors

19. Section C., Contribution to Orderly Development, Item 3

The table of the staffing pattern is noted. Please provide a total of all FTEs. Please clarify if the total will remain the same from current staffing levels.

Response:

The list of FTE's provided in the application includes clinical jobs. The complete list of filled positions and unfilled positions is below with the FTE for each position indicated. Staffing levels are adjusted according to number of patient visits.

Position	FTE
10010096: MANAGER-CARDIAC & CATH LAB	1
23500321: NURSE-REGISTERED PRN II	0.2
23500267: NURSE-REGISTERED PRN II	0.40
23400247: NURSE-HEAD	0.90
30270007: TECHNOLOGIST-CARDIAC LAB I	0.9
33070001: LPN-EXPANDED II CARDIO	0.9
23400020: NURSE-HEAD	1.00
23400025: NURSE-HEAD	1
30100001: TECHNOLOGIST-SPECIALS LEAD	1
33010025: LPN-EXPANDED II	1.00
50000045: COORDINATOR-HEALTH UNIT	1.00
50050015: REPRESENTATIVE-ADMIS/CERTIFIED	1.00
90180024: ASSISTANT-PATIENT CARE	1.00
30270003: TECHNOLOGIST-CARDIAC LAB II	2
30160010: TECHNOLOGIST-SPECIALS	2.50
23504364: NURSE-REGISTERED	2.98
23500074: NURSE-REGISTERED	8.3
30160001: TECHNOLOGIST-SPECIALS	8.52
23500061: NURSE-REGISTERED	13.04
Current TOTAL FTE	48.44

The list of unfilled positions is below.

21260001: SPECIALIST-INFORMATION SYSTEMS	0
23500598: NURSE-REGISTERED PRN I	0
23504366: NURSE-REGISTERED PRN II	0
30000001: ANALYST-REVENUE	0
30000001: ANALYST-REVENUE	0
30000001: ANALYST-REVENUE	0
30000014: ANALYST-REVENUE	0
33070002: LPN-EXPANDED II CARDIO	0
50000051: COORDINATOR-HEALTH UNIT	0

20. Section C., Contribution to Orderly Development, Item 7.c.

Please clarify if there have been any licensure surveys in the past 3 years. If so, please provide a copy of the survey and correspondence.

Please provide a copy of the latest Joint Commission survey with an approved plan of correction.

Response:

There have been no licensure surveys within the past 3 years. An approved plan of joint Commission correction is provided. The list is several pages due to inclusion of all 3 BMH campuses. Pages have been selected if BMH-Memphis was involved. No CMS corrections are identified.

Baptist Memorial Hospital - Memphis

Organization ID: 7869

6019 Walnut Grove Road Memphis, TN 38120

Accreditation Activity - 60-day Evidence of Standards Compliance Form

Due Date: 8/10/2014

HAP Standard EC.02.03.05

The hospital maintains fire safety equipment and fire safety building features. Note: This standard does not require hospitals to have the types of fire safety equipment and building features described below. However, if these types of equipment or features exist within the building, then the following maintenance, testing, and inspection requirements apply.

Findings : EP 3 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html. Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Baptist Memorial Hospital Memphis- Collierville Campus (1500 West Poplar, Collierville, TN) site for the Hospital deemed service. The annual testing documentation results for the 3rd floor electromechanical releasing devices (door holders) didn't include an inventory of devices. Observed in Building Tour at Baptist Memorial Hospital Memphis- Collierville Campus (1500 West Poplar, Collierville, TN) site for the Hospital deemed service. The annual testing documentation results for the 2nd floor electromechanical releasing devices (door holders) didn't include an inventory of devices. EP 15 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5

U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to:

http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html. Copies may be obtained from the National Fire Protection Association, 1

Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The monthly inspection documentation for the fire extinguishers located of the 4th and 5th floor respectively, didn't include the year. There were two years printed on the inspection tag 2013 and 2014. Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The monthly inspection documentation for the fire extinguishers located of the 2nd and 3rd floor respectively, didn't include the year. There were two years printed on the inspection tag 2013 and 2014.

Elements of Performance:

3. Every 12 months, the hospital tests duct detectors, electromechanical releasing devices, heat detectors, manual fire alarm boxes, and smoke detectors. The completion date of the tests is documented. Note: For additional guidance on performing tests, see NFPA 72, 1999 edition (Table 7-3.2).

Scoring Category: C

Corrective Action Taken:

WHO:

Director of Facility Services

WHAT:

The vendor responsible for the annual testing and documentation of results of the testing on electromechanical releasing devices (door holders) was contacted and an inventory of devices was made available for the 38 door holders tested.

WHEN:

6/30/2014 Device list made available and new expectations of ongoing device listing in each annual report were communicated to the vendor, Siemens.

HOW:

The device listing is now a core part of the annual report received from the vendor. Director of Facilities monitors report for accuracy.

15. At least monthly, the hospital inspects portable fire extinguishers. The completion dates of the inspections are documented. Note 1: There are many ways to document the inspections, such as using bar-coding equipment, using check marks on a tag, or using an inventory. Note 2: Inspections involve a visual check for the presence and correct type of extinguisher, broken parts, full charge, and ease of access. Note 3: For additional guidance on inspection of fire extinguishers, see NFPA 10, Standard for Portable Fire Extinguishers, 1998 edition (Sections 1-6, 4-3, and 4-4).

Scoring Category: C

Corrective Action Taken:

WHO:

Director of Facility Services at each campus

WHAT:

The vendor that monthly inspects Baptist Memphis' fire extinguishers now includes the day, month and year of the inspection on the inspection tag. The inspection tag has a yearly log that allows this information to be easily and accurately recorded.

WHEN:

06/30/2014 The vendor was contacted while surveyors were on site and the appropriate labeling of the inspection tags for 100% of extinguishers was completed on 06/30/2014.

HOW:

Designated plant operations personnel monitors the vendor inspection, including the recording of the day, month, and year of 100% of fire extinguishers inspected beginning with June 2014 inspection x 4 inspection periods.

Evaluation 1. Sample size: 100% of fire extinguishers 2. This will be monitored monthly for

Method: four consecutive months. 4. The denominator equals the total number of fire extinguishers throughout the building. 5. The numerator equals the number of extinguishers that were monitored and the tag contained the appropriate information including day, month, and year. 6. The data will be reported monthly to the Quality Committee.

Measure of
Success Goal 95
(%):

HAP Standard EC.02.06.01

The hospital establishes and maintains a safe, functional environment. Note: The environment is constructed, arranged, and maintained to foster patient safety, provide facilities for diagnosis and treatment, and provide for special services appropriate to the needs of the community.

Findings: EP 13 §482.41(c)(4) - (A-0726) - (4) There must be proper ventilation, light, and temperature controls in pharmaceutical, food preparation, and other appropriate areas. This Standard is NOT MET as evidenced by: Observed in Building Tour at Baptist Memorial Hospital Memphis - Women's Campus (6225 Humphreys Blvd., Memphis, TN) site for the Hospital deemed service. The airflow in the sterile processing decontamination room was positive to the surrounding corridor. §482.41(a) - (A-0701) - §482.41(a) Standard: Buildings The condition of the physical plant and the overall hospital environment must be developed and maintained in such a manner that the safety and well-being of patients are assured. This Standard is NOT MET as evidenced by: Observed in Tracer Activities at Baptist Memorial Hospital Memphis - Women's Campus (6225 Humphreys Blvd., Memphis, TN) site for the Hospital deemed service. The relative humidity in one of the operating rooms was found to be 66%, above the 60% recommended by the FGI Guidelines and above the 65% limit set by facilities management for notification of the OR staff. This was corrected during the survey.

Elements of Performance:

13. The hospital maintains ventilation, temperature, and humidity levels suitable for the care, treatment, and services provided.

Scoring Category: A

Corrective Action Taken:

WHO:

Director of Facility Services at each campus

WHAT:

All air Pressure issues were corrected on site. Airflow checks have been added to the monthly preventative maintenance schedule. This allows negative and positive pressure concerns to be identified and corrected in timely fashion. Tissue test is a mandatory part of the preventative maintenance checks. All staff performing airflow checks can demonstrate the tissue test and verbalize rationale. Actions were taken to meet AORN standard for humidity percentages. AORN states that humidity standard should read between 30% and 60%. Settings were changed to meet compliance. Plant Operations Department continues to monitor this to ensure compliance. The vendor responsible for the computerized tracking system educated all Plant Operation personnel on the computerized tracking system. Also, the vendor activated an audible alarm on this system to alert the staff of a humidity issue.

WHEN:

Air flow issues corrected on site and verified. Additional staff training completed re audible alarms and tracking system on July 18th, 2014.

HOW:

The Plant Operations staff will do airflow checks as part of the monthly preventative maintenance schedule. Also, the vendor activated an audible alarm on this system to alert the staff of a humidity issue.

Building and fire protection features are designed and HAP Standard LS.02.01.10 maintained to minimize the effects of fire, smoke, and heat.

Findings : EP 4 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to:

http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html. Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The fire rating label for the fire door at the entrance to stairwell #4 level 3 was covered with paint. Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The fire rating label for the fire doors at the entrance to stairwell #7 level 2 was covered with paint. Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The fire door at the entrance to stairwell #4 level 2 had screw type penetrations located at the top of the door. Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The fire door at the entrance to stairwell #5 level 2 had screw type penetrations located at the top of the door. EP 5 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to:

http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html. Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to

announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The fire door at the entrance to stairwell #5 level 4 didn't latch during the functional test. A staff person removed tape from the door latch during survey; thus, allowing said door to latch. Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The fire door at the entrance to stairwell #6 level 4 didn't latch during the functional test. A staff person removed tape from the door latch during survey; thus, allowing said door to latch.

Elements of Performance:

4. Openings in 2-hour fire-rated walls are fire rated for 1 1/2 hours. (See also LS.02.01.20, EP 3; LS.02.01.30, EP 1) (For full text and any exceptions, refer to NFPA 101-2000: 8.2.3.2.3.1)

Scoring Category: A

Corrective Action Taken:

WHO:

Director of Facility Services on each campus

WHAT:

Corrected on site. Penetrations sealed with fire proof caulk. Plant operations staff removed the paint from the existing fire rating labels so the rating on the doors in question could be easily viewed.

WHEN:

Corrected on site. Facilities personnel responsible for fire door inspections were trained on the appropriate surveillance and documentation on the "Fire Door Checklist". Training completed 07/14/2014.

HOW:

The quarterly "Fire Door Inspection Checklist" now includes checks for visible and readable fire rating labels as well as penetrations and positive latching.

5. Doors required to be fire rated have functioning hardware, including positive latching devices and self-closing or automatic-closing devices. Gaps between meeting edges of door pairs are no more than 1/8 inch wide, and undercuts are no larger than 3/4 inch. (See also LS.02.01.30, EP 2; LS.02.01.34, EP 2) (For full text and any exceptions, refer to NFPA 101-2000: 8.2.3.2.3.1, 8.2.3.2.1 and NFPA 80-1999: 2-4.4.3, 2-3.1.7, and 1-11.4)

Scoring Category: C

Corrective Action Taken:

WHO:

Director of Facility Services on each campus

WHAT:

Fixed on site. A staff person removed tape from the door latch during survey; thus, allowing said door to latch.

WHEN:

06/02/2014 Fixed on site 06/30/2014 Nurse managers and Charge nurses instructed to report any door that does not appropriately close and latch during daily environment of care rounds.

HOW:

Closing and latching are observations that are included in the quarterly fire door inspections. Nursing and other ancillary staff have been instructed to report any door that does not appropriately close and latch during daily environment of care rounds.

HAP Standard LS.02.01.20 The hospital maintains the integrity of the means of egress.

Findings EP 29 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html. Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Baptist Memorial Hospital Memphis - Women's Campus (6225 Humphreys Blvd., Memphis, TN) site for the Hospital deemed service. The stairwell signage located in stairwell #1 didn't include the top and bottom floors. Observed in Building Tour at Baptist Memorial Hospital Memphis - Women's Campus (6225 Humphreys Blvd., Memphis, TN) site for the Hospital deemed service. The stairwell signage located in stairwell #4 didn't include the top and bottom floors.

Elements of Performance:

29. Stairs serving five or more stories have signs on each floor landing in the stairwell that identify the story, the stairwell, the top and bottom, and the direction to and story of exit discharge. The signs are placed 5 feet above the floor landing in a position that is easily visible when the door is open or closed. (For full text and any exceptions, refer to NFPA 101-2000: 7.2.2.5.4)

Scoring Category: C

Corrective Action Taken:

WHO:

Director of Facility Services at each campus

WHAT:

Each stairwell has been fitted for signage indicating 1 of 5, 2 of 5, etc., so that in the event the building has to be evacuated or there is emergency movement for whatever reason, the stairwells are clearly marked. Temporary signage has been placed until the new signs arrive.

WHEN:

Temporary signage placed 06/04/2011. Permanent signage ordered on 6/30/14. Permanent signage installed by July 30, 2014.

HOW:

Stairwell signage has been added to checklist for EOC rounds. LS officer ensures that temporary signage is secure and incorporates these signage indicators as mock emergency actions are rehearsed.

**The hospital provides and maintains building features
HAP Standard LS.02.01.30 to protect individuals from the hazards of fire and
smoke.**

Findings : EP 11 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to:
http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html. Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are

incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The sliding glass doors to patient rooms 5441, 5443, 5442, 5445, and 5440 didn't latch during the functional test. Said patient doors weren't equipped with latching hardware. The unit wasn't designated as suite on the life safety drawings. Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The sliding glass doors to patient rooms 5233, 5531, 5235, and 5237 didn't latch during the functional test. Said patient doors weren't equipped with latching hardware. The unit wasn't designated as suite on the life safety drawings. Observed in Individual Tracer at Baptist Memorial Hospital Memphis- Collierville Campus (1500 West Poplar, Collierville, TN) site for the Hospital deemed service. The sliding glass doors to Rooms 12 and 13 in the Emergency Department did not latch during the functional test. These patient doors were not equipped with latching hardware. The department was not designated as suite on the life safety drawings.

Elements of Performance:

11. Corridor doors are fitted with positive latching hardware, are arranged to restrict the movement of smoke, and are hinged so that they swing. The gap between meeting edges of door pairs is no wider than 1/8 inch, and undercuts are no larger than 1 inch. Roller latches are not acceptable. Note: For existing doors, it is acceptable to use a device that keeps the door closed when a force of 5 foot-pounds are applied to the edge of the door. (For full text and any exceptions, refer to NFPA 101-2000: 18/19.3.6.3.2, 18/19.3.6.3.1, and 7.2.1.4.1)

Scoring Category: C

Corrective Action Taken:

WHO:

Director of Facility Services at each campus

WHAT:

6/30/2014 Architects were contacted to revise facility plans designating non-compliant areas as suites per surveyor consultative recommendation. Subsequently it was discovered that the total square footage was outside the parameters for designation. 07/03/2014 PO# 20732-2110 was issued ordering latching hardware that keeps the doors closed when a force of 5 foot-pounds are applied to the edge of the door. New positive latching doors were ordered for ED Rooms 12 and 13 at the Collierville Campus 07/07/2014 Above issues written as PFI's into the Statement of Conditions. Expected install time is on or before August 31, 2014.

WHEN:

6/30/2014 Architects were contacted to revise facility plans designating non-compliant areas as suites per surveyor consultative recommendation. Subsequently it was discovered that the total square footage was outside the parameters for designation. 07/03/2014 PO# 20732-2110 was issued ordering latching hardware that keeps the doors closed when a force of 5 foot-pounds are

applied to the edge of the door. New positive latching doors were ordered for ED Rooms 12 and 13 at the Collierville Campus 07/07/2014 Above issues written as PFI's into the Statement of Conditions. Expected install time is on or before August 31, 2014:

HOW:

Monthly reports of all open PFI's and plan for resolution are presented at Eveready Committee each month.

HAP Standard LS.02.01.35 The hospital provides and maintains systems for extinguishing fires.

Findings : EP 4 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html. Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. There was a cable bundle draped over the sprinkler pipe located above the ceiling outside of patient room 5375. Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. There was a cable bundle draped over the sprinkler pipe located above the ceiling outside of the entrance to 5 West. EP 14 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html. Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are

incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The fire sprinkler escutcheon plate located outside of room 5246 wasn't affixed to the ceiling. The gap was greater than 1/8 inch. Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The fire sprinkler located outside of room 4356 was missing an escutcheon plate. Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The fire sprinkler located outside of the ED cardiac lab was missing an escutcheon plate. Observed in Building Tour at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. The fire sprinkler located at the entrance to the ED Pediatrics and Adolescent unit was missing an escutcheon plate. Observed in Individual Tracer at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. During a tracer in the dialysis ROI (water closet) area it was noted that there were two missing ceiling tiles.

Elements of Performance:

4. Piping for approved automatic sprinkler systems is not used to support any other item. (For full text and any exceptions, refer to NFPA 25-1998: 2-2.2)

Scoring Category: C

Corrective Action Taken:

WHO:

Director of Facility Services at each campus

WHAT:

06/03/2014 - Fixed on site. 06/30/2014 - Staff conducting this inspection are educated on insuring the automatic sprinkler system is not used to support other items

WHEN:

06/03/2014 - Fixed on site. 06/30/2014 - Staff conducting this inspection are educated on insuring the automatic sprinkler system is not used to support other items

HOW:

Monitoring of this issue has been added to the "above the ceiling penetration" inspections. Staff conducting this inspection is educated on insuring the automatic sprinkler system is not used to support other items.

14. The hospital meets all other Life Safety Code automatic extinguishing requirements related to NFPA 101-2000: 18/19.3.5.

Scoring Category: C

Corrective Action Taken:

WHO:

Director of Facility Services at each campus.

WHAT:

06/03/2014 - Corrected on site. 06/30/2014 - Environment of Care rounding used to identify missing escutcheon plates and missing ceiling tiles. Rounds are conducted at least monthly by department managers and the Clean Rounds team to help identify and initiate corrective actions.

WHEN:

06/03/2014 - Corrected on site. 06/30/2014 - Environment of Care rounding used to identify missing escutcheon plates and missing ceiling tiles.

HOW:

Rounds are conducted at least monthly by department managers and the Clean Rounds team to identify and initiate corrective actions.

HAP Standard MM.03.01.01 The hospital safely stores medications.

Findings: EP 2 Observed in Individual Tracer at Stern Cardiovascular Clinic Outpatient Diagnostics (8060 Wolf River Boulevard, Germantown, TN) site. While touring the CT Scan room, it was noted that the contrast warmer temperature log was not completed on weekends when the clinic was closed. In discussion with the staff, it was determined that the medication was not removed from the warmer and that there was not a mechanism in place to determine the minimum and maximum temperatures of the warmer during times the clinic was closed. Observed in Individual Tracer at Stern Cardiovascular Clinic Outpatient Diagnostics (8060 Wolf River Boulevard, Germantown, TN) site. While touring the nuclear medicine department, it was noted that an emergency cart contained 50ml bags of iv solution with the overwrap removed. The bags did not have an updated expiration date affixed to the bag to reflect the new expiration date outlined by the manufacturer. Observed in Tracer Activities at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site. Outdated irrigation fluid was found in a cabinet warmer within the operating room suite. Observed in Tracer Activities at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site. Hospital policy was to store irrigation fluids at a temperature no greater than 110 degrees F. Fluid in a plastic pour bottle was found in one cabinet warmer within the operating room suites at a temperature of 190 degrees F.

Elements of Performance:

2. The hospital stores medications according to the manufacturers' recommendations or, in the

absence of such recommendations, according to a pharmacist's instructions.

Scoring Category: C

Corrective Action Taken:

WHO:

The Director of Pharmacy at each campus

WHAT:

06/05/2014 A NIST Traceable MIN/MAX Recording Thermometer with alarm, date/time stamp, and traceable certificate was ordered, delivered, and installed on the contrast warmer. The recordings are available for 72-hours providing adequate information for weekend oversight. Staff have been trained in the use of the device and the log recording requirements. 50ml bags of IV solution were being delivered in bags of 4 with a common overwrapping. The vendor was contacted and the standard order was changed to require individually wrapped bags with expiration dates on each bag. 07/10/2014 All warming units at BMH-Memphis campus were evaluated for appropriate utilization based on manufacturer's guidelines. Fluid was removed from all warmers without a specific fluid chamber and rating. Dual chamber warmers (fluid on top, blankets on bottom) were procured to replace all single chamber warmers. All fluid warmers are connected to TempTrac, the electronic monitoring software, which alerts the Plant Observation staff who is responsible 24-hours per day.

WHEN:

06/05/2014 A NIST Traceable MIN/MAX Recording Thermometer with alarm, date/time stamp, and traceable certificate was ordered, delivered, and installed on the contrast warmer. The recordings are available for 72-hours providing adequate information for weekend oversight. Staff have been trained in the use of the device and the log recording requirements. 50ml bags of IV solution were being delivered in bags of 4 with a common overwrapping. The vendor was contacted and the standard order was changed to require individually wrapped bags with expiration dates on each bag. 07/10/2014 All warming units at BMH-Memphis campus were evaluated for appropriate utilization based on manufacturer's guidelines. Fluid was removed from all warmers without a specific fluid chamber and rating. Dual chamber warmers (fluid on top, blankets on bottom) were procured to replace all single chamber warmers. All fluid warmers are connected to TempTrac, the electronic monitoring software, which alarms the Plant Observation staff who is responsible 24-hours per day.

HOW:

Clean Team rounds focus on this issue x 120 days. Temp Trac logs are audited daily For off-site locations: Bi-weekly rounds by the Director of Pharmacy and/or designee are conducted x 2 months and then monthly x 2 months to assure continued compliance. Bi-weekly rounds by the Director of Radiology and/or designee are conducted x 2 months and then monthly x 2 months to assure continued compliance.

Evaluation 1. Sample size: All Medication storage areas at Stern Cardiovascular and GI

Method: Specialists. All fluid warmers at Baptist Memphis Campus 2. Designated areas will be monitored via the TempTrak software daily for out of range alarms. The NIST traceable thermometer will be used for off-site areas and reports monitored M-F including historical data from the weekends every Monday A.M. 3. This will

be monitored daily for four consecutive months. 4. The denominator equals the total number of temp probes reviewed. 5. The numerator equals the number of probes which remained within acceptable range 6. The data will be reported monthly to the Quality Committee.

Measure of
Success Goal 90
(%):

Implement evidence-based practices to prevent central line-associated bloodstream infections.
HAP Standard NPSG.07.04.01 Note: This requirement covers short- and long-term central venous catheters and peripherally inserted central catheter (PICC) lines.

Findings: EP 4 Observed in Infection Control Tracer at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site. The organization implemented an EMR in March 2014. A result of the conversion was the inability to produce reports that provided information on central line days for each of the three hospitals covered under one CCN. There was no manual process in place to collect usage data.

Elements of Performance:

4. Conduct periodic risk assessments for central line-associated bloodstream infections, monitor compliance with evidence-based practices, and evaluate the effectiveness of prevention efforts. The risk assessments are conducted in time frames defined by the hospital, and this infection surveillance activity is hospitalwide, not targeted.

Scoring Category: A

Corrective Action Taken:

WHO:

The Chief Executive Officer

WHAT:

Collaborative efforts between our Theradoc vendor and Epic Systems continued in an effort to map and migrate data until July 17th, when > 99% accuracy was demonstrated in the test population. A manual prevalence study was completed on July 25th to validate the Epic report that is being sent to Theradoc. This manual study technique will be used in the event of EHR downtime.

WHEN:

Collaborative efforts between our Theradoc vendor and Epic Systems continued in an effort to map and migrate data until July 17th, when > 99% accuracy was demonstrated in the test

population. A manual prevalence study was completed on July 25th to validate the Epic report that is being sent to Theradoc. This manual study technique will be used in the event of EHR downtime.

HOW:

The Director of Infection Control oversees the daily reconciliation process until high-reliability is achieved.(> 99% accuracy x 120 days)

HAP Standard NPSG.07.06.01	Implement evidence-based practices to prevent indwelling catheter-associated urinary tract infections (CAUTI). * Note: This NPSG is not applicable to pediatric populations. Research resulting in evidence-based practices was conducted with adults, and there is no consensus that these practices apply to children. Footnote *: Evidence-based guidelines for CAUTI are located at: Compendium of Strategies to Prevent Healthcare-Associated Infections in Acute Care Hospitals at, http://www.shea-online.org/about/compendium.cfm and Guideline for Prevention of Catheter-associated Urinary Tract Infections, 2009 at http://www.cdc.gov/hicpac/cauti/001_cauti.html
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Findings: EP 3 Observed in Infection Control Tracer at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site. The organization implemented an EMR in March 2014. The conversion resulted in the inability of the organization to track foley day usage for each of their 3 hospitals. There was no manual process in place to provide this usage data.

Elements of Performance:

3. Measure and monitor catheter-associated urinary tract infection prevention processes and outcomes in high-volume areas by doing the following: - Selecting measures using evidence-based guidelines or best practices - Monitoring compliance with evidence-based guidelines or best practices - Evaluating the effectiveness of prevention efforts Note: Surveillance may be targeted to areas with a high volume of patients using in-dwelling catheters. High-volume areas are identified through the hospital's risk assessment as required in IC.01.03.01, EP 2.

Scoring Category: A

Corrective Action Taken:

WHO:

The Chief Executive Officer

WHAT:

Collaborative efforts between our Theradoc vendor and Epic Systems continued in an effort to map and migrate data until July 17th, when > 99% accuracy was demonstrated in the test population. A manual prevalence study was completed on July 25th to validate the Epic report that is being sent to Theradoc. This manual study technique will be used in the event of EHR downtime.

WHEN:

Collaborative efforts between our Theradoc vendor and Epic Systems continued in an effort to map and migrate data until July 17th, when > 99% accuracy was demonstrated in the test population. A manual prevalence study was completed on July 25th to validate the Epic report that is being sent to Theradoc. This manual study technique will be used in the event of EHR downtime.

HOW:

The Director of Infection Control oversees the daily reconciliation process until high-reliability is achieved. (> 99% accuracy x 120 days)

HAP Standard PC.02.02.03 The hospital makes food and nutrition products available to its patients.

Findings: EP 6 Observed in Tracer Activities at Baptist Memorial Hospital Memphis - Women's Campus (6225 Humphreys Blvd., Memphis, TN) site. The kitchen documents the food temperature for each meal after removal from the warmers for the cafeteria hot line. The temperature checks were missing for the dinner meal on the following days: 5/14/14, 5/15/14, 5/19/14, 5/20/14 and 6/4/14. Observed in Tracer Activities at Baptist Memorial Hospital Memphis - Women's Campus (6225 Humphreys Blvd., Memphis, TN) site. The kitchen documents the food temperature for each cafeteria meal after removal from the warmer or refrigerator. The temperature checks were missing for the hot food served at lunch on the following days: 5/17/14 and 5/18/14. The temperature checks were missing for the salad bar food for the dinner meal on 5/20/14.

Elements of Performance:

6. The hospital prepares food and nutrition products using proper sanitation, temperature, light, moisture, ventilation, and security.

Scoring Category: C

Corrective Action Taken:

WHO:

The Director of Food and Nutrition Services at each campus

WHAT:

Reviewed and revised temperature logs. Dietician provided mandatory staff education on the rationale and importance of monitoring food temperatures. Updated the Food and Nutrition Supervisor's tasks to include daily monitoring of temperature logs and weekly cataloging. Require that F&N Manager sign off on all temperature logs before cataloging each week. Director of F&N spot checks process as part of weekly Safety and Sanitation rounds. All responsible staff required to complete mandatory training on the temperature monitoring process.

WHEN:

Reviewed and revised temperature logs - 06/11/2014 Dietitian provided mandatory staff education on the rationale and importance of monitoring food temperatures. - Completed by 07/16/2014 Updated the Food and Nutrition Supervisor's tasks to include daily monitoring of temperature logs and weekly cataloging. - 06/30/2014 Require that F&N Manager sign off on all temperature logs before cataloging each week. - 06/30/2014 Director of F&N spot checks process as part of weekly Safety and Sanitation rounds. - Ongoing All responsible staff required to complete mandatory training on the temperature taking process. - 07/16/2014

HOW:

Updated the Food and Nutrition Supervisor's tasks to include daily monitoring of temperature logs and weekly cataloging. Required that F&N Manager sign off on all temperature logs before cataloging each week. Director of F&N spot checks process as part of weekly Safety and Sanitation rounds.

HAP Standard PC.02.03.01 The hospital provides patient education and training based on each patient's needs and abilities.

Findings: EP 1 Observed in Individual Tracer at GI Specialists (80 Humphreys Center Dr. #200, Memphis, TN) site. In reviewing the medical record of a patient undergoing an outpatient GI procedure, it was noted that the patients learning needs were not assessed to determine any barriers to learning or the preferred learning style of the patient. Observed in Individual Tracer at Baptist Women's Health Center (50 Humphreys Boulevard, Suite 23, Memphis, TN) site. In reviewing the medical record of a patient having a breast biopsy performed, it was noted that the patients preferred learning style and any potential barriers to learning were not documented.

Elements of Performance:

1. The hospital performs a learning needs assessment for each patient, which includes the patient's cultural and religious beliefs, emotional barriers, desire and motivation to learn, physical or cognitive limitations, and barriers to communication.

Scoring Category: C

Corrective Action Taken:

WHO:

The Chief Nursing Officer

WHAT:

June 3, 2014 The Baptist One Care (EHR) outpatient module was revised while survey team was on site by adding a field entitled "patient education" and pushing the education assessment criteria into that field which includes, but is not limited to: learning needs barriers to learning preferred learning style A rapid staff communication tool, referred to as a "Tip Sheet" was distributed to all outpatient areas and staff were educated on the additional fields.

WHEN:

June 3, 2014 The Baptist One Care (EHR) outpatient module was revised while survey team was on site by adding a field entitled "patient education" and pushing the education assessment criteria into that field which includes, but is not limited to: learning needs barriers to learning preferred learning style A rapid staff communication tool, referred to as a "Tip Sheet" was distributed to all outpatient areas and staff were educated on the additional fields.

HOW:

Ongoing monitoring activities are conducted using the following: Baptist One Care generates an assessment report that flags missing assessment criteria. These reports are reviewed daily by the Unit Manager or designee for compliance and correction. Monthly reports are generated to monitor for overall compliance.

Evaluation 1. Sample size: 70 Outpatients per month from each of the three campuses (total Method: sample size 210/month) 2. This is monitored monthly for four consecutive months. 3. The denominator equals the total number of cases sampled from all three facilities 4. The numerator equals the number of records in which educational assessment and specifically "preferred learning style" was documented 5. The data is reported monthly to the Quality Committee.

Measure of
Success Goal 90
(%):

HAP Standard RC.01.01.01 The hospital maintains complete and accurate medical records for each individual patient.

Findings: EP 19 §482.24(c)(1) - (A-0450) - (1) All patient medical record entries must be legible, complete, dated, timed, and authenticated in written or electronic form by the person responsible for providing or evaluating the service provided, consistent with hospital policies and procedures. This Standard is NOT MET as evidenced by: Observed in Individual Tracer at Baptist Memorial Hospital Memphis - Memphis

Campus (6019 Walnut Grove Road, Memphis, TN) site for the Hospital deemed service. A pre-sedation assessment for a patient who had a CT Angiogram was not dated or timed by the physician. Observed in Individual Tracer at Baptist Memorial Hospital Memphis- Collierville Campus (1500 West Poplar, Collierville, TN) site for the Hospital deemed service. A consent form for surgery was not timed by the surgeon. Observed in Individual Tracer at Baptist Memorial Hospital Memphis - Women's Campus (6225 Humphreys Blvd., Memphis, TN) site for the Hospital deemed service. The consent for photography, video and audio taping was signed and dated on 5/31/14 by the patient and L&D nurse but the entry was not timed. Observed in Individual Tracer at Baptist Memorial Hospital Memphis - Women's Campus (6225 Humphreys Blvd., Memphis, TN) site for the Hospital deemed service. A consent for a circumcision was signed and dated by the patient's mother and the L&D Nurse, the entry was not timed. In addition, the general consent for treatment for the same patient was signed and dated but the entry was not timed.

Elements of Performance:

19. For hospitals that use Joint Commission accreditation for deemed status purposes: All entries in the medical record, including all orders, are timed.

Scoring Category: C

Corrective Action Taken:

WHO:

The Chief Executive Officer

WHAT:

Circumcision form did not have a field that prompted documentation of the time. An updated form was approved in February 2014. Managers were instructed to order new forms and discard all old stock that did not have the space provided for time. Childbirth Photography English and Spanish were updated to include "time" by "signature" field. Managers were instructed to order new forms and discard all old stock that did not have the space provided for time. Keeping your Infant Safe Information sheet was revised to add time to signature lines on both the English and Spanish version. Managers were instructed to order new forms and discard all old stock that did not have the space provided for time. Pre-sedation assessments are electronic and part of the EHR. Therefore, they are dated and timed stamped on completion. An educational offering has been sent to all Medical Staff informing them that when paper forms are used during downtime, the expectation is that all entries are signed and that the authentication includes date and time. An Educational Flyer has been distributed to clinical areas and posted on Women's Campus homepage, educational boards, and added to the weekly newsletter.

WHEN:

07/03/2014 - Circumcision form did not have a field that prompted documentation of the time. An updated form was approved in February 2014. Managers were instructed to order new forms and discard all old stock that did not have the space provided for time. 07/03/2014 - Childbirth Photography English and Spanish were updated to include "time" by "signature" field. Managers were instructed to order new forms and discard all old stock that did not have the

space provided for time. 07/03/2014 - Keeping your Infant Safe Information sheet was revised to add time to signature lines on both the English and Spanish version. Managers were instructed to order new forms and discard all old stock that did not have the space provided for time. 07/24/2014 - Pre-sedation assessments are electronic and part of the EHR. Therefore, they are dated and timed stamped on completion. An educational offering has been sent to all Medical Staff informing them that when paper forms are used during downtime, the expectation is that all entries are signed and that the authentication includes date and time. 07/17/2014 - An Educational Flyer has been distributed to clinical areas and posted on Women's Campus homepage, educational boards, and added to the weekly newsletter.

HOW:

Forms maintained in paper format are kept in the chart that is audited at midnight each day for accuracy including dating and timing of orders.

HAP Standard RI.01.03.01 The hospital honors the patient's right to give or withhold informed consent.

Findings: EP 13 Observed in Individual Tracer at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site. During tracer activity in the stress testing area, the nuclear med tech indicated that she explained the procedure to the patient and obtained the patient's signature on the consent form. The cardiologist who was present for testing did not have involvement in the consent process. This method of obtaining consent is not consistent with the organization policy or the Medical Staff Rules and Regulations. The rules and regulations, section 2.2 Consent for Treatment, B. Informed consent states, "The responsible physician performing any diagnostic, therapeutic, interventional, invasive, or surgical procedure is required to obtain the patient's informed consent prior to the procedure, therapy or infusion and document such consent in the patient's medical record." Observed in Individual Tracer at Baptist Memorial Hospital Memphis - Memphis Campus (6019 Walnut Grove Road, Memphis, TN) site. In discussion with staff and review of the record of a patient who had a bronchoscopy, the staff was unable to locate information in the record that the physician had provided informed consent as specified in the medical staff rules and regulations. The rules and regulations, section 2.2 Consent for Treatment, B. Informed consent states, "The responsible physician performing any diagnostic, therapeutic, interventional, invasive, or surgical procedure is required to obtain the patient's informed consent prior to the procedure, therapy or infusion and document such consent in the patient's medical record."

Elements of Performance:

13. Informed consent is obtained in accordance with the hospital's policy and processes and, except in emergencies, prior to surgery. (See also RC.02.01.01, EP 4)

Scoring Category: C

Corrective Action Taken:

WHO:

The Chief Medical Officer

WHAT:

07/08/2014 BMH-Memphis Campus Medical Staff Leadership Council voted unanimously to adopt the same informed consent form in use at the Collierville and Women's Campuses. This form, titled "Authorization for Surgery, and/or Special Procedures, and/or Sedation/Anesthesia" was noted during survey to meet all required elements. 07/10/2014 An electronic solution to Informed Consent in the EHR was completed. A "Smart Phrase" containing all required elements was developed and added to the physician "Note" section. Physicians can access the appropriate language by typing ". consent" into the search field and the appropriate documentation is added to their progress notes under the "Plan" heading. The form, titled "Authorization for Surgery, and/or Special Procedures, and/or Sedation/Anesthesia" continues as the form of choice in downtime situations 07/17/2014 Physician education on both options was deployed in writing to the Medical Staff. Education included: A memo from the CMO Copy of the form "Authorization for Surgery, and/or Special Procedures, and/or Sedation/Anesthesia" Screen shots from the EHR of the "Smart Phrase" option.

WHEN:

07/08/2014 BMH-Memphis Campus Medical Staff Leadership Council voted unanimously to adopt the same informed consent form in use at the Collierville and Women's Campuses. This form, titled "Authorization for Surgery, and/or Special Procedures, and/or Sedation/Anesthesia" was noted during survey to meet all required elements. 07/10/2014 An electronic solution to Informed Consent in the EHR was completed. A "Smart Phrase" containing all required elements was developed and added to the physician "Note" section. Physicians can access the appropriate language by typing ". consent" into the search field and the appropriate documentation is added to their progress notes under the "Plan" heading. The form, titled "Authorization for Surgery, and/or Special Procedures, and/or Sedation/Anesthesia" continues as the form of choice in downtime situations 07/17/2014 Physician education on both options was deployed in writing to the Medical Staff. Education included: A memo from the CMO Copy of the form "Authorization for Surgery, and/or Special Procedures, and/or Sedation/Anesthesia" Screen shots from the EHR of the "Smart Phrase" option.

HOW:

Ongoing monitoring activities are conducted using the following: Baptist One Care generates an assessment report that flags missing assessment criteria. These reports are reviewed daily by the Unit Manager or designee for compliance and correction. Monthly reports are generated to monitor for overall compliance.

Evaluation Sample size: 70 Inpatients per month from each of the three campuses (total

Method: sample size 210/month) 1. This is monitored monthly for four consecutive months. 2. The denominator equals the total number of cases sampled from all three facilities 3. The numerator equals the number of records in which informed consent was documented per policy 4. The data is reported monthly to the Quality Committee.

Measure of
Success Goal 90
(%):

December 23, 2015

11:46 am

AFFIDAVIT

STATE OF TENNESSEE

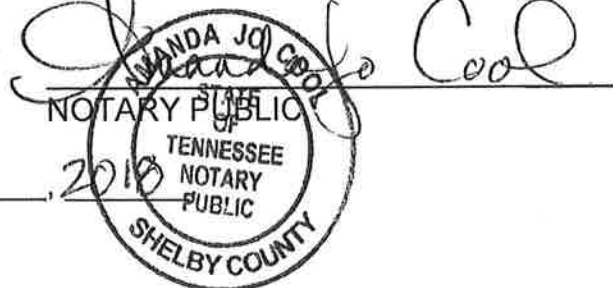
COUNTY OF ShelbyNAME OF FACILITY: BAPTIST MEMORIAL HOSPITAL

I, Randy King, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Randy King, CEO
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 22nd day of December 2015,
witness my hand at office in the County of SHELBY, State of Tennessee.

My commission expires 9.16, 2018



My Comm. Exp. 09-16-2018

Supplemental #2 -ORIGINAL-

Baptist Memorial

CN1512-066

December 29, 2015

4:29 pm

December 29, 2015

Phillip Earhart, HSD Examiner
Health Services and Development Agency
Andrew Jackson Building
502 Deaderick Street, 9th floor
Nashville, TN 37243

RE: Certificate of Need Application CN1512-066
Baptist Memorial Hospital
Renovation of the Cardiac Catheterization Lab

Dear Mr. Earhart

Enclosed are the responses to the need for clarification or additional discussion on items in the CON application referenced above.

Please contact me if you need additional information. Thank you for your attention.

Sincerely,



Arthur Maples
Dir. Regulatory Planning & Policy

Enclosure

SUPPLEMENTAL 2 RESPONSES

**RENOVATION OF THE CARDIAC
CATHETERIZATION LAB**

BAPTIST MEMORIAL HOSPITAL

CN1512-066

1. Section C, Need, Item 5 and item 6

The revised calculations of the Baptist Memphis section of the utilization chart for Shelby County cath labs on pages 16-18 is noted. However, please also revise the 2013 and 2014 calculations for Baptist Memphis in the Shelby County cath lab utilization table on page 16 and the grand totals on page 18 of the original application to reflect the changes, and submit replacement pages.

Please revise the 2014 number of cath procedures listed under item 6 on page 18 from 10,201 to the revised number of 13,681, and submit a replacement page.

Response:

Replacement pages are provided as requested following this page.

However, to clarify, the JAR numbers reflect the number of catheterizations that were performed in the cardiac cath lab and other cath lab settings. The numbers of procedures that are used in the Cardiac Cath Lab historical and projected financial charts have been adjusted, to the extent possible, to indicate procedures that were performed only in the Cardiac Cath Lab setting.

Information systems have changed over the years and the ability to identify outpatient cath procedures by ICD9 code and CPT is no longer available. The comparison between the annual catheterization JAR counts, including data corrections, and the Cardiac Catheterization Lab counts is provided in the following table.

HISTORICAL UTILIZATION Procedure Count				
	<u>YEAR:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
JAR with adjustments		15,730	14,102	13,681
Limited to Cardiac Cath Lab		12,461	11,217	10,201

higher among black Tennesseans than among white Tennesseans (heart disease: 322 per 100,000 persons for blacks and 246 per 100,000 persons for whites in 2004; Stroke: 86 per 100,000 for blacks and 60 per 100,000 for whites in 2004). (Policy, Planning and Assessment, Tennessee Department of Health)

Heart disease and stroke age-adjusted death rates in Tennessee were also higher among men than among women (heart disease: 320 per 100,000 for men and 205 per 100,000 persons for women in 2004; Stroke: 66 per 100,000 for men and 61 per 100,000 for women in 2004). (Policy, Planning and Assessment, Tennessee Department of Health)

Nearly 70,000 Tennesseans were hospitalized for diseases of the heart (primary diagnosis) in 2002 (The Burden of Heart Disease and Stroke in Tennessee, 2006) Inpatient charges associated with diseases of the heart increased from \$1.2 billion in 1997 (2002 constant dollars) to \$2.1 billion in 2002, a 73% of increase. (The Burden of Heart Disease and Stroke in Tennessee, 2006) -

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

Response

The applicant is not aware of any outstanding projects regarding Cardiac Cath Labs. The following table indicates procedures of Cath Labs in Shelby County Hospitals based on JARs. Baptist Memphis 2014 numbers have been updated for purposes of CON.

	2011	2012	2013	2014	Grand Total
Baptist Memphis	15651	15730	14102	13681	59164
All Other Heart	3994	3698	3441	4290	15423
All Other Non Cardiac	1152	1502	1612	1403	5669
Intra-Cardiac or Coronary Artery	6760	6820	5652	4160	23392
PTCA	1540	1443	1340	1485	5808
Stents	1470	1383	1293	1517	5663
Thrombolytic Therapy	735	884	764	826	3209
Lebonheur-Adult	145	170	178	217	710
All Other Heart	41	33	44	51	169

SUPPLEMENTAL #2**December 29, 2015****4:29 pm**

All Other Non Cardiac	82	76	106	109	373
Intra-Cardiac or Coronary Artery	22	61	28	50	161
PTCA	0	0	0	1	1
Stents	0	0	0	6	6
Thrombolytic Therapy	0	0	0	0	0
Lebonheur-Peds	530	553	589	624	2296
All Other Heart	105	104	115	70	394
All Other Non Cardiac	283	275	316	305	1179
Intra-Cardiac or Coronary Artery	142	174	158	212	686
PTCA	0	0	0	0	0
Stents	0	0	0	32	32
Thrombolytic Therapy	0	0	0	5	5
Methodist Germantown	5874	5517	3639	5142	20172
All Other Heart	2219	1978	1184	1750	7131
All Other Non Cardiac	1145	959	616	758	3478
Intra-Cardiac or Coronary Artery	1911	2019	1450	1966	7346
PTCA	54	55	4	74	187
Stents	545	506	385	594	2030
Thrombolytic Therapy	0	0	0	0	0
Methodist North	4940	4791	2860	3815	16406
All Other Heart	1269	973	248	294	2784
All Other Non Cardiac	1599	1510	768	1047	4924
Intra-Cardiac or Coronary Artery	1535	1698	1313	1719	6265
PTCA	73	66	1	82	222
Stents	464	544	527	673	2208
Thrombolytic Therapy	0	0	3	0	3
Methodist South	1216	1156	1577	3110	7059
All Other Heart	148	155	64	85	452
All Other Non Cardiac	103	43	709	2046	2901
Intra-Cardiac or Coronary Artery	735	715	579	714	2743
PTCA	44	35	17	31	127
Stents	186	208	205	234	833
Thrombolytic Therapy	0	0	3	0	3
Methodist University	11831	10749	6232	24531	53343
All Other Heart	2500	1709	979	19117?	24305
All Other Non Cardiac	4923	4913	2258	2561	14655
Intra-Cardiac or Coronary Artery	2968	2920	2239	2032	10159
PTCA	240	228	9	93	570
Stents	1200	979	732	728	3639
Thrombolytic Therapy	0	0	15	0	15
Regional Med	1084	1671	632	404	3791
All Other Heart	75	318	493	147	1033
All Other Non Cardiac	279	797	3	10	1089

SUPPLEMENTAL #2**December 29, 2015****4:29 pm**

Intra-Cardiac or Coronary Artery	722	542	111	202	1577
PTCA	0	0	11	1	12
Stents	8	14	14	44	80
Thrombolytic Therapy	0	0	0	0	0
St Francis	4643	4031	3999	3742	16415
All Other Heart	1571	918	892	852	4233
All Other Non Cardiac	1297	1294	1207	971	4769
Intra-Cardiac or Coronary Artery	1289	1303	1345	1414	5351
PTCA	31	31	47	42	151
Stents	448	481	505	455	1889
Thrombolytic Therapy	7	4	3	8	22
St Francis-Bartlett	586	836	835	1167	3424
All Other Heart	40	55	131	155	381
All Other Non Cardiac	247	384	237	221	1089
Intra-Cardiac or Coronary Artery	299	349	350	469	1467
PTCA	0	23	55	159	237
Stents	0	22	59	152	233
Thrombolytic Therapy	0	3	3	11	17
Grand Total	46500	45204	34643	56433	182780

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions

Response:

Utilization is based on the number of procedures trended forward. The projections from 2016 forward are anticipated to be relatively consistent.

Year	2012	2013	2014	2015	2016	2017	2018
JAR Procedures	15730	14102	13681				
Cardiac Cath Lab Procedures	12461	11217	10201	10730	10730	10730	10730

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)

Response

The Chart has been completed on the following page. The CON filing fee has been calculated from Line D to be \$13,716.

- The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment

2. Section C, Need, Item 6

Please complete the following historical utilization table using licensed beds (not staffed) for the latest three year Joint Annual Reporting period.

Response:

The table below is based on numbers reported in the respective JARs. The number of licensed beds is from schedule F on page 22. Numbers of Discharge Patient Days are from schedule G on page 24. Occupancy is the calculation: $\text{days} / (\text{number of beds} \times 365)$.

Hospital	2012			2013			2014		
	Beds	Days	Occ'y	Beds	Days	Occ'y	Beds	Days	Occ'y
Baptist Memorial Hospital	706	170,707	66.25%	706	163,128	63.30%	706	155,576	60.37%

December 29, 2015**4:29 pm****3. Section C, Economic Feasibility Item 3**

Please provide the revised cost per square for renovation and total construction cost per square foot and compare the cost to other HSDA hospital renovation projects, and submit a replacement page 21.

Response:

As indicated in response to questions 7 and 14 in supplemental 1, the expense of the air-handler was distributed over the entire area served by the project which produced a total renovation cost of \$171 per sq ft. After reviewing recent CON applications, there are no projects with space similar to the renovation of the cardiac cath lab project. Therefore the applicant will rely on the Hospital Construction Cost Per Square Foot chart provided in the HSDA Toolbox. A replacement page 21 follows.

2. Identify the funding sources for this project.

Please check the applicable item(s) below and briefly summarize how the project will be financed. *(Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)*

- ☐ A. Commercial loan—Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds—Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.
- ☐ D. Grants—Notification of intent form for grant application or notice of grant award; or
- ☒ E. Cash Reserves—Appropriate documentation from Chief Financial Officer.
- ☐ F. Other—Identify and document funding from all other sources.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

Response:

The estimated construction cost of the cath lab suite is \$171.83 per sq. foot. The cost appears to be reasonable based on the HSDA's construction cost per square foot chart for renovated construction. It is between the 1st and 2nd Quartile as indicated in the Table below.

Hospital Construction Cost Per Square Foot			
Years: 2012 – 2014		New	Total
Renovated		Construction	Construction
Construction			
1 st Quartile	\$110.98/sq ft	\$224.09/sq ft	\$156.78/sq ft
Median	\$192.46/sq ft	\$259.66/sq ft	\$227.88/sq ft
3 rd Quartile	\$297.82/sq ft	\$296.52/sq ft	\$298.66/sq ft

The 2 recent catheterization applications reviewed by the HSDA did not involve comparable renovation. Both Erlanger East CN1502-005 and Dyersburg Regional Medical Center CN1403-007 involved adding miscellaneous clinical equipment with no renovation.

Since comparable projects are not available, the comparison will rely on the Hospital Construction Cost per Square Foot provided in the HSDA Applicant's Toolbox. Also the letter from the architect verifies that the project cost is reasonable.

4. Section C, Economic Feasibility Item 4

Please provide a historical data chart for the BMH's cath lab service.

Response

A Historical Data Chart is provided on the following pages for Cardiac Cath Lab services. The utilization reflects procedures that were performed in the Cardiac Cath Lab, which are part of the JAR numbers.

The Projected Data Chart for Baptist Memorial Hospital is noted. Please specify "E. Other Revenue (Expenses)" in the amount of (\$4,241,170) in 2015 and (\$10,895,783) in 2016.

Response

The amount shown on line E Other Revenue (Expenses) is primarily an allocation to BMH Memphis for Baptist Medical Group expenses for Medical Staff coverage. It also includes contribution revenue from grants and donations.

The Projected Data Chart for BMH-Memphis is noted with losses of (\$7,713,458) in 2015 and (\$4,702,690) in 2016 is noted. Please clarify when the hospital projects to break even in net income.

Response

After review and additional research, an error was found in line F1 Retirement of Principle for both years. For clarification, a letter from the Chief Financial Officer follows this page.

The hospital is currently experiencing positive net income.

Please clarify if Management Fees are ever partially waived to cover hospital net operating losses.

Response

Management fees are budgeted by entity and show as an expense for accounting records. However, the management fees are internal to the corporation and support the capability of the individual hospital to provide high quality services to patients. These management fees are for allocations for services such as, finance, human resources, information technology, legal, managed care, planning, marketing, quality assurance, which have been consolidated/centralized for the subsidiaries of a parent company and are reimbursed on availability of funds. All other expenses are addressed in the budgeting process prior to allocating management fees.

December 29, 2015**4:29 pm**

The Projected Data Chart beginning with a fiscal year beginning in October 2017 is noted. However, according to the Project Completion Chart the service is projected to initiate in January 2018. If applicable, please revise the Projected Data Chart to include information for the last 2 years following completion of the project.

Response

The project will be completed in 5 phases as shown on the proposed floor plan. As each room is completed it will become operational to prevent disruption of service. Phase 1 is anticipated to be completed around the start of FY 2017. FY 2017-2018 are approximately 2 years following completion of the first phase. The Project Completion Chart also includes consideration for time to transition from one phase to another which involves changing patient access routes to maintain operation during renovation. The completion may finish earlier than Dec 2017. However, FY 2019 is expected to be similar to 2018 and a conservative projection for 2019 has been completed and provided in the following Chart.

HISTORICAL DATA CHART

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in OCT (Month)

	Year 2012	Year 2013	Year 2014	Year 2015
A. Utilization Data (procedures)	12,461	11,217	10,201	10,730
B. Revenue from Services to Patients				
1. Inpatient Services	\$ 58,814,101	\$ 68,025,573	\$ 59,711,476	\$ 67,724,737
2. Outpatient Services	\$ 65,800,279	\$ 74,754,250	\$ 80,478,744	\$ 84,313,826
3. Emergency Services				
4. Other Operating Revenue (revenue from affiliates)_	\$ 633,551	\$ 279,756	\$ 206,434	\$ 94,920
Gross Operating Revenue	\$ 125,247,931	\$ 143,059,579	\$ 140,396,654	\$ 152,133,483
C. Deductions from Gross Operating Revenue				
1. Contractual Adjustments	\$ 84,429,630	\$ 100,127,399	\$ 99,864,140	\$ 110,783,602
2. Provision for Charity Care	\$ 2,986,916	\$ 3,978,449	\$ 3,811,513	\$ 4,085,087
3. Provision for Bad Debt	\$ 4,015,120	\$ 4,620,038	\$ 5,140,408	\$ 3,793,052
Total Deductions	\$ 91,431,666	\$ 108,725,886	\$ 108,816,061	\$ 118,661,742
NET OPERATING REVENUE	\$ 33,816,265	\$ 34,333,693	\$ 31,580,593	\$ 33,471,741
D. Operating Expenses				
1. Salaries and Wages	\$ 4,467,115	\$ 4,522,219	\$ 4,213,433	\$ 4,369,970
2. Physician's Salaries and Wages				
3. Supplies	\$ 8,712,794	\$ 8,342,278	\$ 6,220,933	\$ 7,167,312
4. Taxes				
5. Depreciation	\$ 1,370,415	\$ 1,386,528	\$ 1,473,587	\$ 1,246,869
6. Rent	\$ 246,731	\$ 194,608	\$ 220,916	\$ 229,523
7. Interest, other than Capital				
8. Management Fees:				
a. Fees to Affiliates				
b. Fees to Non-Affiliates				
9. Other Expenses (Specify on separate page)	\$ 861,613	\$ 727,402	\$ 654,786	\$ 528,361
Total Operating Expenses	\$ 15,658,668	\$ 15,173,035	\$ 12,783,655	\$ 13,542,035
E. Other Revenue (Expenses) - Net (Specify)				
NET OPERATING INCOME (LOSS)	\$ 18,157,597	\$ 19,160,659	\$ 18,796,938	\$ 19,929,706
F. Capital Expenditures				
1. Retirement of Principal				
2. Interest				
Total Capital Expenditures	\$ -	\$ -	\$ -	\$ -
NET OPERATING INCOME (LOSS)				
LESS CAPITAL EXPENDITURES	\$ 18,157,597	\$ 19,160,659	\$ 18,796,938	\$ 19,929,706

4:29 pm

HISTORICAL DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	Year 2012	Year 2013	Year 2014	Year 2015
Leased Equipment	\$ 1,659	\$ 1,824	\$ 1,819	\$ 1,549
Linen	\$ 49,456	\$ 36,848	\$ 48,842	\$ 47,257
Maintenance Contracts	\$ 792,233	\$ 671,831	\$ 587,315	\$ 454,455
Purchased Services	\$ 777	\$ 685	\$ 685	\$ 685
Miscellaneous	\$ (1,357)	\$ 1,028	\$ 1,664	\$ 602
Courier	\$ 127	\$ 244	\$ 135	\$ 460
Repairs	\$ 18,562	\$ 13,853	\$ 10,842	\$ 27,108
Travel/Education	\$ 155	\$ 1,090	\$ 3,485	\$ (3,754)
Total Other Expenses	\$ 861,613	\$ 727,402	\$ 654,786	\$ 528,361

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<u>Year 1</u>	<u>Year 2</u>
Total Other Expenses	-	-

December 29, 2015

4:29 pm

BAPTIST MEMORIAL HEALTH CARE CORPORATION

December 28, 2015

Melanie Hill, Executive Director
Tennessee Health Services & Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243.

RE: Baptist Memorial Hospital
Correction of 2015 and 2016 Projected Data Chart
Renovation of the Cardiac Catheterization Lab

Upon review of the projected data chart for Baptist Memorial Hospital-Memphis operations in 2015 and projected into 2016, an error was found in line F1 Retirement of Principle. The amounts included many BMHCC Tennessee and Metro entities. The amounts specific to Baptist Memorial Hospital – Memphis are \$2,451,748 in 2015 and \$2,367,808 in 2016. Line F2 Interest is accurate for both years.

The chart indicates total positive net income for both years. Please contact me if you need additional information.

Sincerely,



Donald R. Pounds
Chief Financial Officer, BMHCC

December 29, 2015**4:29 pm****PROJECTED DATA CHART****BMH-Memphis**

Give information for the last two (2) years following the completion of this proposal.

The fiscal year begins in _October_ (Month)

	Year 2015	Year 2016
A. Utilization Data (Discharges)	25,800	27,070
B. Revenue from Services to Patients		
1. Inpatient Services	\$ 1,405,455,909	\$ 1,488,108,451
2. Outpatient Services	\$ 678,296,168	\$ 708,766,260
3. Emergency Services	\$ 118,670,517	\$ 123,866,665
4. Other Operating Revenue (specify) <u>cafeteria etc.</u>	\$ 14,414,576	\$ 16,025,542
Gross Operating Revenue	\$ 2,216,837,170	\$ 2,336,766,918
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$ 1,596,748,468	\$ 1,677,216,412
2. Provision for Charity Care	\$ 59,139,434	\$ 60,087,489
3. Provision for Bad Debt	\$ 54,911,673	\$ 60,317,321
Total Deductions	\$ 1,710,799,575	\$ 1,797,621,222
NET OPERATING REVENUE	\$ 506,037,595	\$ 539,145,696
D. Operating Expenses		
1. Salaries and Wages	\$ 187,782,456	\$ 198,568,903
2. Physician's Salaries and Wages		
3. Supplies	\$ 142,906,881	\$ 141,135,570
4. Taxes	\$ 1,607,440	\$ 1,548,462
5. Depreciation	\$ 22,496,920	\$ 22,696,636
6. Rent	\$ 1,126,908	\$ 1,154,093
7. Interest, other than Capital	\$ 490	\$ 490
8. Management Fees:		
a. Fees to Affiliates	\$ 63,216,120	\$ 73,003,980
b. Fees to Non-Affiliates		
9. Other Expenses (Specify on separate page)	\$ 72,317,160	\$ 77,441,677
Total Operating Expenses	\$ 491,454,375	\$ 515,549,810
E. Other Revenue (Expenses) - Net (Med Group Exp)	\$ (4,241,170)	\$ (10,895,783)
NET OPERATING INCOME (LOSS)	\$ 10,342,050	\$ 12,700,103
F. Capital Expenditures		
1. Retirement of Principle	\$ 2,451,748	\$ 2,367,808
2. Interest	\$ 530,508	\$ 477,793
Total Capital Expenditures	\$ 2,982,256	\$ 2,845,601
LESS CAPITAL EXPENDITURES	\$ 7,359,794	\$ 9,854,502

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<u>Year 1</u>	<u>Year 2</u>
Purchased Services	\$ 10,989,676	\$ 10,546,212
Insurance Expense	\$ (2,213,111)	\$ 2,654,861
Utilities	\$ 5,574,333	\$ 5,844,666
Repairs and Maintenance	\$ 10,821,077	\$ 11,933,032
Professional Fees:	\$ 29,428,984	\$ 28,059,444
Medicaid Assessment	\$ 12,350,028	\$ 12,350,028
Misc	\$ 5,366,174	6,053,434
Loss on Asset Impairment		
Total Other Expenses	72,317,160	77,441,677

SUPPLEMENTAL PROJECTED DATA CHART

Give information for the last two (2) years following the completion of this proposal.

The fiscal year begins in __OCT__ (Month)

	2018	2019
A. Utilization Date (Oct -Sept)	10,730	10,730
B. Revenue from Services to Patients		
1. Inpatient Services	\$ 73,992,697	\$ 76,212,477
2. Outpatient Services	\$ 97,043,589	\$ 99,954,897
3. Emergency Services	\$ -	
4. Other Operating Revenue (services to affiliates)	\$ 115,153	\$ 118,607
Gross Operating Revenue	\$ 171,151,439	\$ 176,285,982
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$ 130,075,093	\$ 133,977,346
2. Provision for Charity Care	\$ 4,124,750	\$ 4,248,492
3. Provision for Bad Debt	\$ 3,206,590	\$ 3,302,788
Total Deductions	\$ 137,406,433	\$ 141,528,626
NET OPERATING REVENUE	\$ 33,745,005	\$ 34,757,356
D. Operating Expenses		
1. Salaries and Wages	\$ 4,464,773	\$ 4,598,716
2. Physician's Salaries and Wages		
3. Supplies	\$ 7,470,249	\$ 7,694,356
4. Taxes		
5. Depreciation*-includes depreciation of new CON	\$ 1,625,584	\$ 1,625,584
6. Rent	\$ 229,904	\$ 229,904
7. Interest, other than Capital		
8. Management Fees:		
a. Fees to Affiliates		
b. Fees to Non-Affiliates		
9. Other Expenses (Specify on separate page)	\$ 848,619	\$ 848,619
Total Operating Expenses	\$ 14,639,129	\$ 14,997,180
E. Other Revenue (Expenses) - Net (Specify)		
NET OPERATING INCOME (LOSS)	\$ 19,105,876	\$ 19,760,176
F. Capital Expenditures		
1. Retirement of Principal		
2. Interest	\$ -	
Total Capital Expenditures	\$ -	
LESS CAPITAL EXPENDITURES	\$ 19,105,876	\$ 19,760,176

HISTORICAL DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	Year 2012	Year 2013	Year 2014
Total Other Expenses	\$ -	\$ -	\$ -

PROJECTED DATA CHART-OTHER EXPENSES

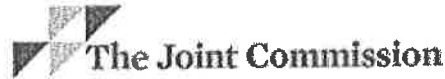
<u>OTHER EXPENSES CATEGORIES</u>	Year 1	Year 2	
Purchased Services	685	685	
Linen	51,144	51,144	
Courier	341	341	
Travel/Education	18,600	18,600	
Miscellaneous	1,123	1,123	
Repairs	30,641	30,641	
Maintenance Contract	744,377	744,377	
Leased Equipment	1,708	1,708	
Total Other Expenses	848,619	848,619	

5. Section C., Contribution to Orderly Development, Item 7.c.

The latest Joint Commission survey is noted. Please provide a letter from The Commission confirming accreditation as a result of the provided survey.

Response:

Attached is the letter from the Joint Commission dated December 2014. The accreditation cycle began June 2014 and is valid for 36 months.

December 29, 2015**4:29 pm**

December 18, 2014

Zach Chandler
CEO
Baptist Memorial Hospital - Memphis
6019 Walnut Grove Road
Memphis, TN 38120

Joint Commission ID #: 7869
Program: Hospital Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 12/18/2014

Dear Mr. Chandler:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning June 07, 2014. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations



Official Accreditation Report

Baptist Memorial Hospital - Memphis
6019 Walnut Grove Road
Memphis, TN 38120

Organization Identification Number: 7869

Measure of Success Submitted: 12/18/2014

The Joint Commission

Executive Summary

Program(s)

Hospital Accreditation

Submit Date

12/18/2014

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission**Requirements for Improvement – Summary**

Program	Standard	Level of Compliance
HAP	EC.02.03.05	Compliant
HAP	MM.03.01.01	Compliant
HAP	NPSG.03.05.01	Compliant
HAP	PC.01.02.07	Compliant
HAP	PC.01.03.01	Compliant
HAP	PC.02.03.01	Compliant
HAP	PC.04.01.05	Compliant
HAP	RC.02.01.03	Compliant
HAP	RI.01.03.01	Compliant

December 29, 2015

4:29 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Shelby

NAME OF FACILITY: BAPTIST MEMORIAL HOSPITAL

I, Carrol Cozart, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Randy King, CEO
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 29th day of December, 2015,
witness my hand at office in the County of Shelby, State of Tennessee.

Carrol Cozart
NOTARY PUBLIC

My commission expires MY COMMISSION EXPIRES:
December 15, 2018



December 29, 2015

4:29 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF ShelbyNAME OF FACILITY: BAPTIST MEMORIAL HOSPITAL

I, Carrol COZART, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Randy King, CEO
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 29th day of December, 2015
witness my hand at office in the County of Shelby, State of Tennessee.

Carrol Cozart
NOTARY PUBLIC

My commission expires MY COMMISSION EXPIRES:
December 15, 2018



BAPTIST MEMORIAL HEALTH CARE CORPORATION

December 16, 2015

Melanie Hill, Executive Director
Health Services and Development Agency
502 Dead Erick Street, 9th Floor
Nashville, TN 37243

RE: Request to place CON application on Consent Calendar

Dear Ms. Hill,

Yesterday, Baptist Memorial Hospital- Memphis submitted an application to renovate the existing cardiac catheterization space at the hospital. As part of the renovation, some of the catheterization equipment that is beyond operational lifetime is proposed to be replaced. The hospital was prepared to proceed as a simple renovation project but the total cost, including both renovation and equipment with contingencies and fees, is slightly above the CON threshold. The CON total amount is approximately \$6.1 million.

The project does not add capacity or change the health services that are provided, no major medical equipment or equipment that is monitored by the HSDA is involved and the cost is only modestly above the threshold requirement. Baptist respectfully requests that the application be considered for the consent calendar.

Please let me know if you need additional information. We appreciate your consideration.

Sincerely,



Arthur Maples
Director Regulatory Planning & Policy

cc Randy King
Dan Elrod